



# ***Daily Report***

## **East Asia**

FBIS-EAS-93-134  
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FBIS-EAS-93-134

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15 July 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## Japan

### Miyazawa Criticizes U.S. Official's Tax Cut Call

OW1507060193 Tokyo KYODO in English 0533 GMT  
15 Jul 93

[Text] Nagahama, Shiga Pref., July 15 KYODO—Prime Minister Kiichi Miyazawa on Thursday [15 July] criticized a call by a senior U.S. official for Japan to cut income tax as part of efforts to reduce its huge current account surplus. Miyazawa, here for election campaigns, said at a press conference, "Japan's financial policy is made only by the nation itself. The United States has no right to make such a request."

The tax cut call was made Tuesday by Bowman Cutter, deputy presidential assistant for economic policy, at a meeting of Japanese and U.S. business leaders held in Cleveland, Ohio.

However, Miyazawa said the heavy burden on middle-income taxpayers should be eased by simplifying the tax system. He said he hopes tax panels in the ruling Liberal Democratic Party and the government will begin discussing tax reductions in the fall.

Meanwhile, U.S. Trade Representative Mickey Kantor said in testimony before Congress on Tuesday that Japan's surplus should be cut below 1.5 percent of the nation's gross domestic product. Referring to Kantor's comment, Miyazawa said, "The United States is free to make its wishes known but there has been no agreement about the matter with Japan."

### NKK, U.S. Firm Work on 'Fastest' Supercomputer

OW1507023393 Tokyo KYODO in English 0012 GMT  
15 Jul 93

[Text] Tokyo, July 15 KYODO—Major Japanese steel-maker NKK Corp. and Convex Computer Corp. of the United States have started joint development of the world's fastest supercomputer, the NIHON KOGYO SHIMBUN said Thursday [15 July].

The "parallel-processing" supercomputer is expected to have a maximum capacity of one trillion floating point operations per second (flops). The machine will also be equipped with more than 1,000 central processing units (CPUs), according to the newspaper.

Cray Research Inc. and Thinking Machines Corp. of the U.S., as well as NEC Corp. of Japan are also trying to develop such a supercomputer, it said.

NKK and Convex aim to have their computer on the market by March 1996, the daily said. The two companies teamed up in the supercomputer field in 1989 and have jointly developed a supercomputer with a capacity of up to 800 million flops.

### ROK Envoy Asks Tokyo To Explain NPT Stance

OW1407133093 Tokyo KYODO in English 1009 GMT  
14 Jul 93

[Text] Tokyo, July 14 KYODO—South Korean Ambassador to Japan Kong No-myung urged Japan [14 July] on Wednesday to explain why it did not give full backing to an indefinite extension of the Nuclear Nonproliferation Treaty (NPT) at last week's annual summit of the Group of Seven (G-7) economic powers.

Kong said at a press conference at the Japan National Press Club that he wants Japan to clearly state its reasons. He said it is desirable for Japan to maintain its three nonnuclear principles of not manufacturing, possessing or introducing nuclear weapons into its territory.

His remarks followed Japan's intervention at the G-7 gathering in Tokyo to thwart a strong G-7 endorsement of an indefinite NPT extension beyond 1995. The move gave rise to speculation that Japan is moving for the right to become a nuclear power if North Korea succeeds in acquiring nuclear weapons capability.

On Tuesday [13 July], Foreign Ministry spokesman Masamichi Hanabusa said Japan does not oppose the indefinite extension of the treaty and denied it is intending to preserve a nuclear option.

Turning to problems involving "comfort women" who were forced to provide sex to Japanese soldiers during World War II, Kong urged Japan to fully acknowledge that it had forced the women into prostitution so as to restore the reputation and dignity of the women involved. He also said it is necessary to clarify the whole issue and make use of it in history education.

Historians estimate that about 100,000 to 200,000 women, mostly from the Korean peninsula, were forced to work at frontline brothels to serve Japanese Imperial Army soldiers.

In an official statement issued last year, the Japanese Government said surveys have found that the wartime government was involved in the recruitment and management of the brothels but that there was no evidence that the women were forced in service. The South Korean ambassador said he understands that the Japanese Government will conduct interviews "in the not-so-distant future" with former comfort women living in South Korea.

Kong also said there are plans to begin a new meeting of South Korean and Japanese experts this fall to promote bilateral ties.

### Foreign Minister Calls Kim Il-sung 'Crazy'

OW1407165093 Tokyo KYODO in English 1504 GMT  
14 Jul 93

[Text] Takamatsu, July 14 KYODO—Foreign Minister Kabuo Muto attacked North Korean President Kim Il-sung in an election speech Wednesday [14 July].



comparing the dangers of North Korea's missile development to the devastating earthquake which hit Hokkaido on Monday.

Muto, speaking on the election trail in Shikoku, said, "Kim Il-song is crazy. There will be no comparison with Monday's huge earthquake if North Korea's recently developed missiles hit Japan." North Korea has succeeded in testing the new Nodong 1 missile which has a range of 1,000 kilometers, capable of reaching western Japan, Japan's Defense Agency said.

Monday night's quake, which measured 7.8 on the Richter scale, triggered huge tidal waves and landslides. By late Wednesday, the death toll had risen to 103, with more than 90 people missing.

Muto touched on current U.S.-North Korean high-level talks on the question of North Korea's withdrawal from the nuclear Nonproliferation Treaty (NPT), saying Kim and his son Kim Chong-il are "fearful persons." He said Japan will have to prepare itself against missile attacks, asking rhetorically, "How would Japan be if the Social Democratic Party [of Japan] (SDP) [SDPJ], which has not recognized the Self-Defense Forces (SDF), seize power?"

On March 12, Pyongyang announced that it would pull out of the NPT, defying the requests by the International Atomic Energy Agency (IAEA) to open two of its suspected nuclear facilities at Yongbyon, about 95 kilometers north of Pyongyang, for special inspection. The 15-member United Nations Security Council has adopted a resolution calling for Pyongyang to retract its withdrawal by a June 12 deadline, threatening economic sanctions if it did not. As the deadline approached North Korea suspended its withdrawal from the NPT and is now engaged in a series of talks with the United States on the issue.

In Japan, the SDP has effectively renounced the SDF's present armament as a violation of the country's war-renouncing Constitution.

#### **Chongnyon Protests Muto's 'Slur'**

*OW1507120393 Tokyo KYODO in English 1128 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—A pro-Pyongyang organization of Korean residents in Japan on Thursday [15 July] denounced Foreign Minister Kabun Muto and demanded an apology for a remark taken as a slur against North Korean President Kim Il-song.

Ho Chong-man, vice chairman of the General Association of Korean Residents in Japan (Chongnyon), issued a statement and urged Muto to retract his remark that Kim is "crazy." The statement said, "Foreign Minister Muto, who is in a position to respect diplomatic common sense and international customs, made indecent and vulgar remarks before the public."

Muto spoke before voters on his election trail in Takamatsu, Kagawa Prefecture, on Wednesday and said, "Kim Il-song is crazy. There will be no comparison with Monday's [12 July] huge earthquake if North Korea's recently developed missiles hit Japan."

Chongnyon said it will soon file a protest with the office of Prime Minister Kiichi Miyazawa, the Foreign Ministry and Muto himself.

Muto, in a press conference Thursday in Yamagata, denied press reports that he made such a remark. "I wanted to say Kim Il-song is a dictatorial leader...(and that) a neighbor (of North Korea) faces a threat if the boss (Kim) pushes the button, not through democratic rules but on his own initiative," he said.

North Korea has succeeded in testing the new Nodong 1 missile, which has a range of 1,000 kilometers, capable of reaching western Japan, the Defense Agency said.

Monday night's quake, which measured 7.8 on the Richter scale, triggered huge tidal waves and landslides. By Thursday night, the death toll rose to 126, with 85 people still missing.

Muto apologized for comparing the killer earthquake with the North Korean missile, saying "I am very sorry to the bereaved families" of the victims of the earthquake.

#### **Tokyo Extends Grant Assistance to Philippines**

*OW1507060693 Tokyo KYODO in English 0514 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—Japan will extend about 11 billion yen in grant assistance to the Philippines, the Foreign Ministry said Thursday [15 July]. Officials said the offer was cemented earlier in the day when representatives of the two countries exchanged diplomatic notes in Manila.

The assistance includes 2.92 billion yen for the building of schools, 2.2 billion yen for fertilizer and pesticides to increase food production, and 2.09 billion yen for constructing roads and bridges in rural areas. Some 1.08 billion yen will be provided for a project to supply fresh water to populations affected by the volcanic eruptions of Mt. Pinatubo.

#### **Miyazawa Expresses 'Desire To Stay On'**

*OW1507142293 Tokyo KYODO in English 1328 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—Prime Minister Kiichi Miyazawa said Thursday he is still politically alive despite a widely held view that he is a lame duck. Miyazawa made the remark in an interview with Japan Broadcasting Corp. (NHK) on a bullet train to Tokyo while returning from a campaign tour of Shiga Prefecture, western Japan, for Sunday's House of Representatives general election.



The prime minister also expressed a desire to stay on after indicating he believes his ruling Liberal Democratic Party (LDP) will retain its pre-election strength of 227 seats in the lower house.

"Our candidates are all closely united so as not to have the party's strength sap any more," Miyazawa said. "In that sense, I think we will eventually be able to weather the storm."

A total of 955 candidates have been out campaigning across Japan since July 4 fighting for the 511 seats at stake.

Miyazawa dissolved the lower house on June 18 for a snap general election shortly after combined opposition members and conservative rebels passed a no-confidence motion against his cabinet.

Since then two new parties have been formed by disaffected conservatives breaking away from the LDP—Sakigake (Harbinger) and Shinseito (Japan Renewal Party).

Various mass media polls have predicted that the LDP, in unbroken power since its founding in 1955, may come out as the single largest party but still short of a majority.

Miyazawa said he wants the LDP to recapture as many as possible of the 274 seats it held before the lower house was dissolved.

The opposition's no-confidence motion came after the prime minister failed to live up to his oft-stated pledge to enact political reform legislation centering on electoral changes and tighter curbs on political funding.

Meanwhile, former Foreign Minister Michio Watanabe said it was playing into the enemy's hands to say during the campaign period that the LDP leaders should give up their posts after the election.

Addressing LDP supporters in Fukushima Prefecture, northeastern Japan, Watanabe denounced junior members within the LDP who have demanded that all party leaders resign. However, Watanabe remarked that whether Miyazawa should stay on or resign as LDP president would depend on the outcome of Sunday's election.

The LDP presidency has so far automatically brought with it the prime ministership because of the party's dominance in the lower house.

#### **Hayashi To Decline Funds From Financial Industry**

*OW0907212893 Tokyo KYODO in English 1453 GMT 9 Jul 93*

[Text] Tokyo, July 9 KYODO—Finance Minister Yoshiro Hayashi said Friday [9 July] he will decline donations from financial institutions under the jurisdiction of his ministry.

Hayashi told reporters he has asked his friends in the financial industry for donations to help fund campaigns for the July 18 general elections "as a politician, not in his capacity as finance minister." Hayashi reiterated he had no intention of putting pressure on the industry. He said he will decline donations from the industry to prevent any misunderstanding about his position as a cabinet minister.

#### **Party Leaders Comment on Sakigake-JNP Accord**

*OW1407065793 Tokyo NHK General Television Network in Japanese 1004 GMT 11 Jul 93*

[Text] The Shinto Sakigake [Harbinger Party] and the Japan New Party [JNP] reached an accord on 10 July that they would neither form a coalition government with the Liberal Democratic Party [LDP] nor immediately take part in a new political administration after the election of the House of Representatives.

Regarding this accord, party leaders of the LDP, Shinseito [Japan Renewal Party], and the Democratic Socialist Party [DSP] made comments on 11 July.

Regarding the fact that the JNP and Shinto Sakigake have disclosed their intention of not forming a coalition with the current LDP, Prime Minister Kiichi Miyazawa said at a news conference held in Morioka: In that case, it may not be a coalition. However, since the LDP is a party for the people but not for ideology, our party would always be ready to hold talks with those parties that share the same policies as us.

In this way, he indicated that in case the LDP should fail to win a majority, the LDP would call on the two parties' cooperation in carrying out policies even if it could not form a coalition government with them.

Meanwhile, Shinseito Leader Tsutomu Hata gave a speech in Maebashi, Gunma prefecture, on 11 July, and called on the Shinto Sakigake and the JNP to join in a new political administration that Shinseito aims to establish. Then, in his answer to correspondents' questions on the accord reached between the Shinto Sakigake and the JNP on 10 July, Hata said: Actual discussions can be started only after the general election. However, to talk about nonparticipation in the coalition from the very beginning is tantamount to allowing the LDP to prolong its rule. This is the very reason why we have decided to take action, and I am sure they will understand if we can inform them accurately of our ideas.

Moreover, DSP Chairman Keigo Ouchi held a news conference in Fukuyama, Hiroshima, on 11 July and, touching on the Sakigake-JNP accord, he stated: If the LDP should lose its majority, the other parties will have to tackle the issue of a coalition government whether they like it or not. Even if another force replacing the LDP should fail to win the majority, a coalition government can be established with the cooperation of parties such as the JNP if they agree to cooperate from outside the cabinet.



Thus, he indicated his view that their accord would not become an obstacle to forming a coalition government to replace the LDP.

Meanwhile, Morihiro Hosokawa, the JNP representative, made a speech in Kochi city on 11 July, and said: The major task for the upcoming election of the House of Representatives is to put an end to the so-called 1955 structure [formed since a major conservative merger in 1955], which is symbolized by the LDP's one-party rule. It is impossible for our party to team up with the LDP that failed to pass the political reform bill at the last Diet session.

Thus, he reiterated his intention of not forming a coalition with the LDP after the general election. Then, Representative Hosokawa indicated his plan to work out a compromise among the ruling and opposition parties as soon as possible after the election, and to aim at having the political reform bill, including the electoral system reform, adopted at the extraordinary Diet session.

#### **Size of Shinseito Campaign Budget Reported**

*OW1407223393 Tokyo KYODO in English 1515 GMT 14 Jul 93*

[Text] Tokyo, July 14 KYODO—Shinseito, which has championed the cause of political reform, ranked first among the eight opposition parties in terms of the size of campaign funds, according to a civic watchdog group survey released Wednesday [14 July].

The eight opposition parties have a combined campaign fund of about 6.4 billion yen for their 465 candidates in Sunday's House of Representatives election, in which a total of 511 seats are up for grabs. The ruling Liberal Democratic Party, however, refused to answer the survey, according to the Tokyo-based League of Women Voters of Japan. The LDP has 265 candidates running in the election.

The LDP reportedly asked the banking industry to loan it 25 billion yen to help finance its candidates' campaigns, out of which eight major commercial banks have recently decided to extend a total of 10 billion yen.

Shinseito, whose parliamentary rebellion plunged the government into the current crisis, budgeted some 1.5 billion yen to finance the campaigns of its 69 candidates, according to the group's figures. The election watchdog group quoted Shinseito as saying it amassed its funds through personal contributions from some of its senior members or by borrowing money from unidentified sources.

On July 7, members of the 5,000-strong civic watchdog group visited the headquarters of the LDP and eight other major political parties and asked them to answer a questionnaire about their campaign funding.

"Although our group has repeatedly sent similar questionnaires to political parties since the 1950s, this is the

first time that parties responded to our probes," Terue Hara, chairman of the civic group, told reporters.

Komeito ranked second among the opposition parties by setting aside a total of 1.3 billion yen for the election, followed by the largest opposition Social Democratic Party [of Japan], which allocated 1.1 billion yen for the campaign, according to the group's figures. The Democratic Socialist Party ranked fourth with 1 billion yen, followed by the Japanese Communist Party which said it appropriated 900 million yen for the campaign.

The Japan New Party, which is widely expected to grab more than 30 seats in Sunday's vote due to its clean image among scandal-wary voters, said it allocated 500 million yen to finance the campaign activities of its 57 candidates. Sakigake, which was formed by a group of 10 Liberal Democratic defectors on June 21, said it borrowed a total of 85 million yen to finance the campaigns of its 16 candidates. The United Social Democratic Party said it has set aside only 1 million yen to finance the campaign of its four candidates.

#### **Unions Back New Conservative Party Candidates**

*OW1507023793 Tokyo KYODO in English 0006 GMT 15 Jul 93*

[“News focus” by Tadashi Matsumoto]

[Text] Tokyo, July 15 KYODO—Reversing a decades-old policy of supporting only two opposition parties, Japan's major industrial trade unions are trying to end 38 years of Liberal Democratic Party rule by backing candidates from newly created conservative parties in the July 18 general election.

An example of that is happening in the No. 2 constituency in Hyogo Prefecture, western Japan, where the 210,000-member Japanese Federation of Iron and Steel Workers' Union (Tekkororen) has withdrawn its support for Takako Doi, former chairwoman of the top opposition Social Democratic Party (SDP). Instead, it is backing Yuriko Koike of the Japan New Party (JNP). It was formed by former Kumamoto Governor Morihiro Hosokawa in May last year.

The 245,000-member all Japan Telecommunication Workers' Union (Zendentsu) decided to support both Doi and Koike, a former television newscaster and former House of Councillors member. Zendentsu has withdrawn its support for eight SDP candidates, saying they are “left-leaning.”

Behind the move is Akira Yamagishi, president of the eight million-strong Japanese Trade Union Confederation (Rengo). He has been dubbed a “backstage instigator of political realignment.”

Another reason is that the Liberal Democratic Party (LDP), after 38 years of uninterrupted rule, could well lose its majority in the election.



Rengo has supported only the SDP and the Democratic Socialist Party (DSP) since it was created in November 1989 with the merger of the General Council of Trade Unions of Japan (Sohyo) and the Japanese Confederation of Labor (Domei).

Sohyo had been a main backer of the SDP. Domei was formed in 1964 by a group of unions that seceded from Sohyo and threw their support behind the DSP. Rightists within the SDP bolted the party and inaugurated the DSP in 1960.

On June 25, eight major industrial unions decided to support candidates from the JNP, Shinseito (Japan Renewal Party) and Sakigake (Harbinger) to oust the LDP from power and form an opposition coalition.

The Japanese Electrical, Electronics and Information Union (Denkirengo), Confederation of Japan Automobile Workers' Unions (Jidoshasoren), Tekkororen and Zendentsu are among them.

Shinseito is an LDP breakaway party founded in late June by LDP defectors, including former Finance Minister Tsutomu Hata and former LDP Secretary General Ichiro Ozawa. Sakigake was launched by 10 reform-minded LDP defectors in late June.

Tekkororen is supporting 15 candidates from Shinseito, Sakigake and the JNP, Denkirengo is behind 10, and Jidoshasoren, 17. The five opposition parties are the SDP, Komeito, the DSP, the United Social Democratic Party (USDP), and Shinseito.

Shinseito leader Ozawa visited 10 major trade unions on July 10 and 11 to seek their support.

Tetsuya Washio, head of Tekkororen, said, "I will never question the past of Shinseito members." He said the Shinseito members had been "purified" because they quit the scandal-tainted LDP. The Shinseito members belonged to the largest LDP faction founded by former Prime Minister Noboru Takeshita.

Takeshita faction leaders—Takeshita, Ozawa and disgraced LDP power broker Shin Kanemaru—were allegedly involved in the Tokyo Sagawa Kyubin money-and-mob scandal.

Yamagishi said a coalition scheme by the five opposition parties will fail unless the JNP and Sakigake join.

The two new parties are likely to have a decisive vote for noncommunist and non-LDP opposition parties to form a coalition with a governing majority in the House of Representatives. But the two parties agreed on July 10 that they will not take part in a coalition with the LDP or the five opposition parties.

Yamagishi told KYODO News Service in an interview that a non-LDP coalition government will not be established after the election because the LDP is likely to retain its preelection force and the SDP can expect a crushing defeat. He predicted a non-LDP coalition could

be formed after the following general election, which he expects to be held within a year.

Prof. Rei Shiratori of political science at Tokai University criticized Yamagishi for not tackling union problems such as wages and social welfare for workers instead of spending all his time trying to reshape Japanese politics.

Michitoshi Takabatake, professor of political science at St. Paul's University, agreed with Shiratori and said Yamagishi has long sought a two-party system by forming a new conservative party to represent the interests of urban workers.

### **Komeito Leader Urges Unified Parliamentary Group**

*OW1507075193 Tokyo KYODO in English 0722 GMT 15 Jul 93*

[Text] Hiroshima, July 15 KYODO—The leader of the opposition Komeito proposed Thursday [15 July] forming a loose parliamentary group among noncommunist and non-LDP [Liberal Democratic Party] forces after the July 18 general election. Yuichi Ichikawa, secretary general of the second largest opposition party, made the proposal at a news conference in Hiroshima.

His proposal follows media predictions that the ruling Liberal Democratic Party will retain its preelection strength of 227 and that the top opposition Social Democratic Party will suffer a crushing defeat, while new conservative parties will make advances.

### **Gotoda Scheduled To Leave Hospital 16 Jul**

*OW1507130693 Tokyo KYODO in English 1243 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—Deputy Prime Minister Masaharu Gotoda will leave the hospital Friday afternoon, nine days after he collapsed due to a heart problem, hospital officials said Thursday [15 July].

Gotoda, 78, who doubles as justice minister, is in pretty good shape, the officials said. He will recuperate at home for a while in lieu of going to his constituency of Tokushima Prefecture to campaign for Sunday's [18 July] general election for the House of Representatives, his aides said.

Gotoda was first rushed by ambulance on July 8 at around midnight to the Japanese Red Cross Medical Center near his home in Tokyo's Shibuya Ward after complaining that he felt dizzy. Early last Friday, he was transferred to Mitsui Memorial Hospital in Chiyoda Ward, Tokyo, for further examinations.

Gotoda attended a banquet at the Imperial Palace for leaders of the Group of Seven industrialized nations on the night of July 8.

Before the election campaign's official start on July 4, Gotoda implied that he intended to resign from the



political arena due to his age. Supporters, however, persuaded Gotoda to continue his political career, his aides said.

Gotoda, who has taken on championing political reform, stumped in Fukushima and Kumamoto Prefectures for LDP reform-minded candidates.

After Gotoda's hospitalization, a doctor at Mitsui Memorial Hospital said the deputy prime minister suffered a slight heart attack and has diabetes. He said Gotoda would likely be in the hospital for about a week.

A government source said Gotoda suffered from overwork due to his tight election campaign schedule, but that he should recover soon after taking a rest.

### **Vice Finance Minister Opposes Income Tax Cut**

*OW1507060793 Tokyo KYODO in English 0501 GMT 15 Jul 93*

[Text] Nagoya, July 15 KYODO—Vice Finance Minister Jiro Saito said Thursday [15 July] he is opposed to income tax cuts as a measure to stimulate the economy after Sunday's general election. Saito told a news conference here the ministry hopes a series of economic stimulus measures announced by the government in spring will help sustain economic growth without fears of inflation.

"I believe income tax cuts should not be implemented as a policy" after Sunday's general election, he said. Saito said a 13.2 trillion yen supplementary budget enacted in June is certain to take effect and now is the time to gauge developments. He said the Finance Ministry will review the structural pattern of government expenditure to make up for an expected revenue shortfall in fiscal 1994.

The government's policy of not depending on national bond issues to balance the budget remains unchanged, Saito said.

### **MOF To Balance Budget Through State Land Sales**

*OW1507031793 Tokyo KYODO in English 0304 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—The Ministry of Finance [MOF] will lift its ban on the sale of state-owned land this year to fill in a budget gap created by sluggish tax revenue, ministry officials told KYODO News Service Thursday [15 July]. The officials said the sales, which will be conducted via auctions, will bring in an additional several hundreds of billion yen annually over the coming years to the state coffers.

State land deals have been frozen since October 1987 when land prices rose sharply, making house ownership a far-off dream for ordinary wage earners.

The officials said 900 hectares of state land not in use will go under the hammer. There were 8.95 million

hectares of state-owned land at the end of March 1992, of which 110,000 hectares were unused.

The funds raised from the sales will be used to finance the national budget, whose income-spending balance has been shattered by the dwindling tax revenue because of the economic downturn.

The fiscal 1992 budget, which covered the year ending March 31, saw the first income shortfall in 11 years—1.55 trillion yen—despite expenditure-cutting efforts. The shortfall prompted Finance Minister Yoshiro Hayashi to declare "a state of fiscal emergency."

In response to worries the sales may trigger another "bubble" of speculative asset inflation seen during the late 1980s, the ministry will attach several conditions to state land deals.

The government will only sell land unlikely to attract speculators, public housing and other agencies will be favored as purchasers to upgrade Japan's relatively poor housing infrastructure, and the real estate cannot be sold again for several years.

Successful bidders will be required to immediately start development and preference will be given to housing development.

### **EPA Report Underscores Economy 'Hit Bottom'**

*OW1507073593 Tokyo KYODO in English 0657 GMT 15 Jul 93*

[Text] Tokyo, July 15 KYODO—Some bright spots are showing up on Japan's economic landscape although weak private-sector demand continued to sap vitality from the economy, a government report said Thursday [15 July]. The bimonthly report by the Economic Planning Agency (EPA) also said the yen's sharp upswing this year has prompted many industries to tackle its adverse effects by raising export prices and shifting production bases overseas.

The latest report, based on recent economic statistics and hearings from companies, showed demand has been picking up in sectors such as delivery and electricity.

While both production and shipments remain sluggish, inventory reductions appear to be almost completed, creating room for industries to increase production, it said.

An agency official, briefing reporters on the report, said the survey "underscores a government perception that the economy has hit bottom." But the official admitted private-sector demand remains depressed, especially because of concentrated sales seen in the book-closing period of March.

With regard to corporate countermeasures to the yen's appreciation, the official noted that some industrial sectors can raise export prices more than others. As an example, he cited chip manufacturers which enjoy a



more robust recovery in demand on both domestic and overseas markets can raise export prices more than home electrical appliance producers.

### North Korea

**'Armed Bandits' Attack, Board DPRK Cargo Ship**  
*SK1507104593 Pyongyang KCNA in English 1026*  
*GMT 15 Jul 93*

[**"Armed Bandits Commit Piracy Against DPRK Cargo Vessel"**—KCNA headline]

[Text] Pyongyang, July 15 (KCNA)—The "Komalsan," a cargo vessel of the Democratic People's Republic of Korea, was sailing to the homeland after leaving Hong Kong at 8 hours [as received] on July 14.

At around 10 hours [as received] an unidentified pirate ship estimated at over 450-ton class suddenly appeared on the sea 22 degrees 08 minutes of north latitude, 114 degrees 27 minutes of east longitude where the cargo vessel "Komalsan" was sailing and approached it at full speed. And 14 bandits armed with automatic weapons on board it jumped onto the deck of our ship.

Those bandits threatened our crewmen by brandishing their weapons and attempted to lead the ship to a far sea by wresting the steering wheel in order to rob it of cars and cargo.

Failing to attain their purpose in face of strong protest and staunch fighting of our bare-handed crewmen, the bandits were forced to leave our ship at around 12:15.

But, the bandits persistently followed the ship "Komalsan" on voyage, fired bullets at it and threw a rope in an attempt to stop its crew.

Crewmen of our ship were wounded and the stern, the chimney and the pilot room were riddled with hundreds of shots.

The bandits chased the ship for 19 hours and 30 minutes to achieve their piratic purpose.

This piracy is a very grave crime encroaching upon the sovereignty of the DPRK and endangering the lives of the crewmen.

We who regard sovereignty as our life and blood will never overlook such act of any armed bandits.

**ROK 'Suppression' During Clinton Trip Berated**  
*SK1507052493 Pyongyang KCNA in English 0428*  
*GMT 15 Jul 93*

[**"Cursed Outrage of 'Civilian' Fascist"**—KCNA headline]

[Text] Pyongyang, July 15 (KCNA)—The South Korean rulers issued "B-class and then A-class emergency alert

orders" to the police on the threshold of the U.S. President's South Korean tour and intensified check and search everywhere and, at the same time, brutally suppressed the anti-U.S. struggle of people with the mobilization of the repressive forces.

This comes under fire in NODONG SINMUN today.

It is a natural and righteous patriotic act that South Korean students and people turned out in demonstrations against the U.S. President's South Korean trip and opening of rice market to the United States, the analyst says, and continues:

As was reported, during his visit, there was a confab aggravating confrontation and tension, worsening North-South relations and endangering peace.

The present South Korean ruler begged his master for "reprisals" and "sanctions" against the North under the pretext of its non-existent "nuclear problem" and entreated for the prolonged presence of the U.S. troops in South Korea.

Such acts against the interests of the nation are destined to face the resistance of the people.

The brutal suppression of people by the South Korean authorities is motivated by their sinister intention to remain in power with the zealous backing of their new master by courting his favor. This clearly indicates that the present ruling forces of South Korea are a group of traitors who do not hesitate to kill fellow countrymen for their personal wealth and luxury and for their lust for power.

Reckless and brutal bayonet-brandishing leads to self-destruction. Their predecessors met their miserable end by doing so. The fascists hell bent on suppression of the people under the cloak of "civilian government", following in the footsteps of their predecessors, cannot evade the same destiny.

**ROK National Democratic Front Supports Strikes**  
*SK1507051293 Pyongyang KCNA in English 0417*  
*GMT 15 Jul 93*

[Text] Pyongyang, July 15 (KCNA)—The director of the Worker-Peasant Department of the South Korean National Democratic Front (Hanminjon) in his statement on July 12 appraised the wage-hike struggle of the workers of the Hyundai Business Group in the Ulsan area as a righteous struggle to win the right to existence and branded the authorities' crackdown on it as a terrorist act trampling upon the democratic right of the workers and a grave challenge to the labour movement, according to Seoul-based Voice of National Salvation.

"The suppression of the struggle of the workers of the Hyundai Business Group in Ulsan by the South Korean authorities reveals the malicious scheme to put a block



on the massive advance of workers in the July-September season of grand struggle, emasculate the democratic trade unions and, furthermore, destroy the 'national council of trade union representatives', an organized umbrella for the unity of the democratic trade unions," says the statement.

"The reality," it notes, "makes it still clearer that the present 'regime', though wearing the 'civilian' mask, is a 'civilian fascist regime' little different from the fascist dictatorial 'regime' of the 'sixth republic' that earned itself an ill fame for its bloody suppression of the labour movement."

#### **Denounces Clinton-Kim Meeting**

*SK1507111493 Pyongyang KCNA in English 1022 GMT 15 Jul 93*

[Text] Pyongyang, July 15 (KCNA)—The Central Committee of the South Korean National Democratic Front [SKNDF] (Hanminjon) issued a statement July 13 denouncing the confab held by U.S. President Clinton and the chief executive of South Korea during Clinton's recent visit to South Korea to infringe on the sovereignty and interests of the Korean nation and aggravate confrontation and tensions between the North and the South.

The statement brands the confab held on the eve of DPRK-USA talks as a dealing between aggressor and traitor, which showed the position of strength still taken by the United States and the despicable and humiliating stance of the flunkeyist traitor intending to do harm to fellow countrymen with the sword of outside forces.

"Hanminjon," the statement says, "bitterly denounces the confab between Clinton and Kim Yong-sam, master and servant, as an unpardonable challenge to the will of our people to reject aggression and interference and restore national sovereignty and to the desire of the nation to terminate North-South confrontation and pave the way for peace and national reunification on the Korean peninsula through great national unity."

The statement continues:

"If the nuclear problem is to be fundamentally resolved and peace and security be preserved on the Korean peninsula, the U.S. nuclear weapons and troops must be withdrawn from South Korea.

"While keeping mum about it, the United States insists on permanent U.S. military presence in South Korea under the pretext of 'nuclear suspicion' against the North. This shows it is not interested in the peaceful solution of the problem of the Korean peninsula.

"U.S. threat and its conspiracy with 'Chongwadae' [presidential offices] only spoiled the atmosphere of the upcoming DPRK-USA talks.

"The Kim Yong-sam 'government' following outside forces is doomed to face a disgraceful end as the preceding flunkeyist traitorous 'governments' did."

#### **KCNA Reports South 'Provocations' Near DMZ**

*SK1407105993 Pyongyang KCNA in English 1023 GMT 14 Jul 93*

[Text] Pyongyang, July 14 (KCNA)—The South Korean puppets on July 13 fired more than 100 shells from the areas of Chokko-ri, Yonchon County, and Kwanu-ri and Naedae-ri, Cholwon County, South Korean Kangwon Province, near the Demilitarized Zone [DMZ] along the Military Demarcation Line, according to military sources.

On the same day, puppet army soldiers deployed at combat positions in Mago-ri, Yonchon County, and in the area north of Mt. Chondok near Majon-ri fired over 1,200 bullets with 12.7 mm machine guns and rifles.

Such acts of the South Korean puppets are premeditated provocations aimed at intentionally aggravating the situation of the Korean peninsula and fostering confrontation.

The South Korean authorities must clearly see the situation and stop acting rashly.

#### **Banquet Commemorates Friendship Treaty With PRC**

*SK1507005593 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 11 Jul 93*

[Text] On the occasion of the 32d anniversary of conclusion of the DPRK-PRC Treaty on Friendship, Cooperation, and Mutual Assistance, our country's embassy in China arranged a banquet on 9 July.

Flags of our country and China were put up in the front of the banquet hall.

Invited to the banquet were Wang Hanbin, alternate member of the Political Bureau of the Communist Party of China [CPC] Central Committee and vice chairman of the Standing Committee of the Chinese National People's Congress; Qui Huaiyuan, director of general office for foreign affairs, the State Council; Li Shuzheng, head of international liaison department, the CPC Central Committee; Tang Jiaxuan, vice foreign minister; (Zhou Guozien), deputy director, General Political Department of the Chinese People's Liberation Army [CPLA]; Liu Deyou, vice minister of culture; Huang Quidao, vice minister of State Science and Technology Commission; Bai Jingfu, vice minister of public security; Guo Lin, vice minister of railroad; Han Xu, chairman of the Chinese People's Association for Friendship with Foreign Countries; Bao Yujun, deputy editor in chief of RENMIN RIBAO, and other relevant officials.

Chu Chang-chun, our country's ambassador to China, and embassy staffs attended the banquet.



Ambassador Chu Chang-chun and Vice Chairman Wang Hanbin made speeches at the banquet.

In the speech, Ambassador Chu Chang-chun said that for the past 32 years since the DPRK-PRC treaty on friendship, cooperation and mutual assistance was signed, the people in the DPRK and PRC closely supported and cooperated each other in the common struggle to safeguard peace against the imperialists and to build socialism. Thus, they made great achievements.

He pointed out that our people, upholding the lofty intention of dear leader Comrade Kim Chong-il to treasure DPRK-PRC friendship and to consolidate and develop this friendship over generations, will make all efforts to continuously consolidate and develop the traditional DPRK-PRC friendship. This friendship was personally provided and has been fostered by the great leader Comrade Kim Il-song; President Mao Zedong, the great leader of the Chinese people, and esteemed Comrade Zhou Enlai. Today this friendship is continuously blooming amid the interests and care of leaders of the two countries.

In the speech, Vice Chairman Wang Hanbin said that 32 years ago from now, Zhou Enlai, respected premier of the Chinese people, and President Kim Il-song, the great leader of the Korean people, signed the PRC-DPRK treaty on friendship, cooperation and mutual assistance. With this, they raised friendly relations between China and the DPRK onto a new stage.

He pointed out that the PRC-DPRK friendship and cooperative relations achieved great development and rich fruition. This is the result of direct care of the leaders of China and the DPRK and of joint efforts of the governments and peoples of the two countries.

He stressed that the development of PRC-DPRK friendship and cooperative relations not only corresponds to the basic interests of the two peoples of China and DPRK but also is beneficial [yurihada] to peace, stability, and development of this region. He said that the Chinese people, together with Korean comrades, will continuously make efforts to further consolidate and develop PRC-DPRK friendship and cooperative relations.

He expressed the firm belief that PRC-DPRK friendship and cooperative relations that took deep root in the hearts of the peoples of China and DPRK by overcoming trials of history will be further consolidated and developed.

He wished the Korean people a greater success in their struggle for socialist construction and for peace and stability on the Korean peninsula.

The participants in the banquet toasted to the traditional friendship and unity that were forged with blood between the peoples of China and the DPRK; to good health and long life of the great leader Comrade Kim Il-song; to good health and long life of the dear leader

Comrade Kim Chong-il, and to good health and long life of the leaders of the Chinese party and government including esteemed comrades Deng Xiaoping and Jiang Zemin.

### **Japan's UNSC Membership Bid 'Foolish Dream'**

*SK1507051593 Pyongyang KCNA in English 0422  
GMT 15 Jul 93*

[“Impudent Claim”—KCNA headline]

[Text] Pyongyang, July 15 (KCNA)—The Japanese authorities recently presented their “opinion” to the United Nations as regards the enlargement of the UN Security Council [UNSC]. It claimed in it that “the worldwide influence” must be the “standard” in selecting a permanent member. In other words, they argued that Japan is qualified to be a permanent member of the Security Council as it “exercises an adequate influence” on the international scene.

Refuting this, a NODONG SINMUN analyst today brands it as an impudent and indiscreet act.

He says:

It is a mistake to think that Japan can be a permanent member of the Security Council, if it wants or it can obtain that qualification with a little donation to the UN. Japan is not entitled at all to be a permanent member.

Japan has not erased the stain on its name as a war igniter in the past. It is named “an enemy state” in Article 107 of the UN Charter. It is only too clear that Japan recognized as “an enemy state” in the international community cannot hold a responsible post of the United Nations whose main duty it is to guarantee global peace and security.

Japan has no independence either. Its diplomacy is run through with submission to a big power. How can Japan take a fair stand in dealing with international problems while reading the face of a big power, pleasing its whim and dancing to its drum-beating? Japan is not qualified for a permanent member in any respect.

The Japanese ruling quarters have an axe to grind in making desperate efforts to grab the seat of a permanent member. They seek to hasten the conversion of their country into a political and military power and expand its influence worldwide by abusing the post of a permanent member and thus gratify their desire for overseas expansion. But this is a foolish dream.

### **Officials Help With Labor at Cuba Friendship Plant**

*SK1507044993 Pyongyang KCNA in English 0413  
GMT 15 Jul 93*

[Text] Pyongyang, July 15 (KCNA)—There was a friendship labor at the Korea-Cuba Friendship Chonghwa



Chicken Plant Wednesday [14 July] to mark the month of solidarity with the Cuban people.

Taking part in the friendship labor was Yi Chin-su, vice-chairman of the C.C. [Central Committee], the General Federation of Trade Unions of Korea and vice-chairman of the Korea-Cuba Solidarity Committee, and other officials concerned and functionaries of the plant and Cuban Ambassador to Korea Juan Jose Leon Vega and his embassy officials.

They gave a helping hand to the workers of the plant, deepening friendly feelings between the two peoples.

### **Malaysian Lawmaker Holds Conference Before Leaving**

*SK1407051193 Pyongyang KCNA in English 0414 GMT 14 Jul 93*

[Text] Pyongyang, July 14 (KCNA)—Ong Tee Keat, deputy speaker of the House of Representatives of Malaysia, referred to the friendly relations with Korea in a press interview before returning home after his visit to Korea.

He said that the two countries of Korea and Malaysia were jointly standing up to the dominationist moves as the member nations of the non-aligned movement and developing countries.

For this commonness, the two countries can cooperate with each other and work together, he noted, and stressed: The two countries may further develop friendly relations on the basis of mutual respect for social system.

He expressed the belief that the friendly relations between Korea and Malaysia would further expand and develop if they strengthen cooperation in the economic sector and relations in parliamentary affairs and other fields and deepen understanding between the peoples.

### **Meeting on Loyalty Letter to Kim Il-song Held**

*SK1407053393 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 13 Jul 93*

[Excerpts] A meeting to start the relay race to deliver a letter of loyalty to Generalissimo Kim Il-song, the great leader of our party and our people, and the dear leader Marshal Kim Chong-il by the citizens of Pyongyang was held in front of the Mangyongdae old home—the sacred ground of the revolution—on the morning of 13 July to celebrate the 40th anniversary of the victory of the Fatherland Liberation War. [passage omitted]

Comrade Kang Hui-won, alternate member of Political Bureau of the Workers Party of Korea Central Committee and vice premier of the Administration Council; Comrade Kang Hyon-su, responsible secretary of the Pyongyang Municipal party and chairman of the Pyongyang Municipal People's Committee; and other functionaries concerned participated in the meeting with

the municipal workers from all walks of life and youth and students. [passage omitted]

### **Freight Turnover Increases at Nampo Port**

*SK1407101693 Pyongyang KCNA in English 1003 GMT 14 Jul 93*

[Text] Pyongyang, July 14 (KCNA)—The freight turnover is on the increase at Nampo Port about 50 km southwest of Pyongyang.

The June traffic plan of the port was surpassed 21.3 percent.

The daily quotas have been fulfilled at 123 percent this month.

The port holds a large share in the nation's trade shipping.

It has developed as an international trade port from long ago. At the end of the 1970s, it was largely reconstructed on an expansion basis to more than double its traffic capacity.

The construction of the harbour continues.

At every wharf, loading and discharging are mechanized, automated and specialized.

Nampo Port has well-furnished facilities at the service of foreign ship crewmen. They can tour the capital city of Pyongyang and scenic spots of Korea including Mt. Kumgang and Mt. Myohyang if they wish.

### **KCNA Reviews 15 July Pyongyang Press**

*SK1507061393 Pyongyang KCNA in English 0437 GMT 15 Jul 93*

[Press review]

[Text] Pyongyang, July 15 (KCNA)—Papers here today report that classical works of the great leader President Kim Il-song were disseminated and studied in foreign countries.

Under the title "Revolutionary Epic Dealing With Glorious Revolutionary Course of President Kim Il-song With Impressive Literary Art" NODONG SINMUN edits reflections of the reminiscences of President Kim Il-song "With the Century" upon foreigners and the press of South Korea and overseas Korean compatriots. The paper rounds up voices of the world public highly praising Korea-style socialism where the idea of President Kim Il-song "believe in the people as in heaven" has been realized.

Seven years have passed since the dear leader Comrade Kim Chong-il published his classical work "On Some Problems of Education in the Chuche Idea" (July 15, 1986). In this connection NODONG SINMUN carries an article entitled "Education in the Chuche Idea Is



Powerful Way of Training True Communist Revolutionaries of Chuche-Type" and MINJU CHOSON carries repercussions of the work on South Korean people.

NODONG SINMUN comes out with an article saying that President Kim Il-song inspired soldiers of the People's Army with confidence in victory during the Fatherland Liberation War.

Echoed in MINJU CHOSON are voices of the world people warmly revering Comrade Kim Chong-il under the title "Iron-Willed Brilliant Commander With Unparalleled Grit and Outstanding Resources".

Papers carry news that Comrade Kim Chong-il received solidarity messages from Japanese public figures after the publication of the DPRK-USA joint statement.

A lecture meeting on the greatness of Comrade Kim Chong-il was held in Tokyo, reports NODONG SINMUN.

The Yugoslav president met the DPRK ambassador, says the paper.

The South Korean puppets committed military provocations near the demilitarized zone of the Military Demarcation Line, according to the press.

NODONG SINMUN in a commentary denounces the South Korean authorities' brutal crackdown on the struggle of South Korean students and people against the U.S. President's tour of South Korea. The paper runs an article explaining that the reunification of Korea by the great unity of the nation is an irresistible trend and an article exposing the anti-reunification and splittist moves of confrontation by the present "civilian government" of South Korea.

The press gives an account of functions held in different countries to celebrate the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War.

NODONG SINMUN comes out with a commentary condemning the Japanese authorities for recklessly trying hard to become a "political power".

According to the paper, the Indian paper urged Japan to carefully act in its own spirit and a U.S. senator said the United States overlooks nuclear development in Japan and South Korea.

World news of the press includes reports that a seminar on the life and idea of Comrade Mao Zedong was held in China, India refused to sign the Nuclear Nonproliferation Treaty and the Indonesian president clarified the stand of his country toward the human rights problem.

NODONG SINMUN carries an article on the fierce fight among western countries to expand their domination today when the Cold War has come to an end.

#### KCNA Reviews 14 Jul Pyongyang Press

SK1407045693 Pyongyang KCNA in English 0423  
GMT 14 Jul 93

[Press review]

[Text] Pyongyang, July 14 (KCNA)—Papers here today report that President Kim Il-song of the Democratic People's Republic of Korea and Comrade Kim Chong-il received gifts from Angolan President Jose Eduardo dos Santos.

President Kim Il-song received a message from Said Mohamed Djohar, president of the Federal Islamic Republic of Comoros, in reply to his message of greetings on the national day of Comoros, says NODONG SINMUN.

"Non-aligned information services must contribute to the people's cause of independence", the speech of the great leader President Kim Il-song, was reported by foreign media, according to the daily.

The brief biography of President Kim Il-song was carried by a Pakistani magazine, reports the daily.

Carried in the daily is news that a South Korean businessman highly praised President Kim Il-song as the composer of great national unity.

Printed in the daily is a message of greetings to the dear leader Comrade Kim Chong-il sent by Indrajit Gupta, General Secretary of the National Council of the Communist Party of India, on the occasion of the 40th anniversary of the victory in the fatherland liberation war.

An article of the daily says that Comrade Kim Chong-il has taken a meticulous care of the work and life of the People's Army soldiers so that they may discharge their military duties with credit.

The daily comes out with an article headlined "guidance of party and leader is source of victory of our-style socialism".

MINJU CHOSON editorially calls for turning our society into a large harmonious socialist family with a sense of revolutionary obligation and comradeship.

Given in the press is news about great achievements in different fields of the national economy on the occasion of the 40th anniversary of the victory in the war.

Conspicuous in the press is news that a round rainbow, the first of its kind in the world, was seen in the sky above Mt. Paektu on the morning of July 9.

Given in the press is an account of a Pyongyang meeting of workers held to denounce the South Korean puppet authorities' crackdown on the workers.



NODONG SINMUN runs a commentary denouncing the South Korean puppet army's frequent military provocations and MINJU CHOSON a commentary condemning the despicable and disgraceful diplomacy of Kim Yong-sam, who styles himself "civilian president" of South Korea, toward the U.S. president.

Papers edit articles exposing the criminal moves of the South Korean authorities to stifle "Hanchongnyon" and demanding the dissolution of the "security planning board", a fascist repressive tool.

South Korean news columns of the press include reports that students staged an anti-American demonstration and the joint measure committee of the murder of Yun Kum-i demanded the United States to apologize for the crime of the U.S. Forces.

Conveyed in the press is news that foreign public figures praised the achievements of socialist construction in Korea.

Included in the international news columns of the press are reports that the Chinese president outlined the Hong Kong problem, Egyptian and Syrian presidents called for continuously pushing ahead with the Middle East peace process and the Burundian president set forth the country's policy programme.

NODONG SINMUN in an article says that it is the intrinsic way of existence for imperialism to dominate others and commit aggression and plunder.

#### \* Kim Chong-il's Military Support Described

932C0195A Seoul SIN TONG-A in Korean Jun 93  
pp 452-461

[By researcher Chon Hyon-chun at the Institute for National Reunification]

[Excerpts] The North Korean military is the greatest physical coercive force that maintains the Kim Il-song/Kim Il-song regime. Accordingly, the regime would find it difficult to maintain itself if it should ignore the military. For this reason, Kim Il-song and Kim Chong-il have treated the military elite, consisting mainly of those from the first generation of revolutionaries, with the highest respect. This privileged status of the military has inspired youths to regard the military with envy and induced in them an absolute loyalty to Kim Il-song, the founding father of the army. The North Korean military provided active support to the Kim Il-song regime in its early, fledgling stage. Although there were some problems, the military has also pledged loyalty to Kim Chong-il continuing "from generation to generation." [passage omitted]

North Korea is currently faced with numerous internal and external difficulties. The North Korean military is proud of being the successor to the partisan fighters who were strong in short wars although they were weak in long wars. How will the military try to overcome all these

difficulties? Will they agree to negotiate? Or, will they try to resolve them by a frontal attack?

Needless to say, Grand Marshal Kim Il-song and Marshal Kim Chong-il will ultimately decide this issue, which will particularly depends on what method Kim Chong-il—who has risen to the chairmanship of the National Defense Commission, the highest military position in North Korea—will adopt. More importantly, the question is whether the military will "actually" implement policies chosen by Kim Chong-il, the supreme commander of the military "under the law." In other words, the question is: Does Kim Chong-il actually has an enough power to make the military accept his policy decisions without any objection? If Kim Chong-il controls the military so completely that he can make the military execute his decisions unconditionally, then the next important questions will be: What policy will Kim Chong adopt to resolve the crisis? In other words, will he make a rational choice or an adventurous choice? This question ultimately boils down to the question of his personality and capability.

First, we will examine the character of the North Korean military. Article 46 of the party's by-law defines the character of the North Korean army in these words: "The Korean People's Army [KPA] is the party's revolutionary Armed Force inheriting the glorious revolutionary tradition of the anti-Japanese armed struggle." This provision makes these points: First, the North Korean Army has its roots in the anti-Japanese armed struggle; and second, it is the military arm of the Workers Party of Korea [WPK]. North Korea's claim that its Army has its roots in the anti-Japanese armed struggle is quite logical in view of the fact that Kim Il-song bases his political legitimacy in the anti-Japanese armed struggle that he led.

For this reason, importance is still attached to the first generation of revolutionaries. This is borne out by the fact that currently, O Chin-u, Yi Chong-ok, and Pak Song-chol and other members of the first generation of revolutionaries occupy key positions in the North Korean power structure. O Chin-u, who belongs to the first generation of revolutionaries, was awarded the title of marshal along with Kim Chong-il on 20 April 1992, highlighting the importance of the first generation in the ranks of the revolution. Some analysts say that North Korea's toughest decision (on 12 March) to withdraw from the Nuclear Nonproliferation Treaty (NPT) was a move to mollify the dissatisfaction that the hardliners in the military centering on the first generation of revolutionaries feel toward Kim Chong-il.

Next, North Korea stresses that the KPA is the revolutionary armed force of the WPK, and this indicates that the role of the military is very limited. North Korea is a country which gives the foremost priority to the military. Article 47 of the WPK bylaw provides that "party organizations shall be formed in KPA units at all levels." Article 49 reads: "Party organizations at all levels in the KPA will operate in accordance with the bylaw of the



WPK and directives and regulations endorsed by the party Central Committee." As these provisions indicate, the military is nothing more than an executor of the party line. That is why party committees at all levels are organized in the Army and these committees not only conduct political surveillance and control but also oversee even military operations. [passage omitted]

Logically, the North Korean Army, being the Army of the party, is absolutely loyal to the person who actually controls the party. That is why it is presumed that true to its attributes, the military will be absolutely loyal to Kim Chong-il, despite his lack of military experience, as long as he meets necessary requirements such as the authority as the [de facto] leader, party powers, and popular support.

North Korea claims that Kim Chong-il began to make his efforts to bring the military under his control as early as 1966, when he was only 23 years old. In those days he was a guidance functionary at the party department of organization and guidance and also served as a member of Kim Il-song's suite.

North Korea makes the following claim: Kim Chong-il organized a "political commissar system" in the military in July 1966 and led political commissars to "go among the popular masses and live with them and find correct methods for solving problems by relying on them." On 24 July 1967 he visited a coastal sentry post, where he stressed to the guards "the importance of defending the capital city of Pyongyang where the leader lives." Upon receipt in 1974 of a report on the questions raised by a party functionary in a military unit regarding party life in the military, Kim Chong-il instructed that "party functionaries should always see to it that there shall be no blemish on the political lives of party members." The drive to learn from "unsung heroes" was launched in the fall of 1979. Typical of this drive is "the campaign to learn from O Chung-hup" launched on 6 December 1979. This was followed by "the campaign to learn from Kim Hyok." Needless to say, these campaigns had something to do with the maneuver to inspire a sense of loyalty to young Kim Chong-il in the minds of the military personnel.

On 1 January 1980 Kim Chong-il stressed to political commissars of the Ministry of People's Armed Forces: "The people's Army being the party's Army, there should be no hodgepodge of ideologies in it, even as little as 1 percent." In a "direct" address on 25 April 1984 marking 52d founding anniversary of the people's Army, Kim Chong-il said: "The people's Army as the Army of the leader and that of the party, should defend its leader, its party, and its system with its lives." In a 11 February, 1991, reply to the message sent by the 525th Unit of the people's Army, Kim Chong-il said, "Glory to the revolutionary Armed Forces loyal to our party!" In February 1992 he posthumously awarded "the title of hero of the Republic" to Corporal Han Yong-chol, who perished while trying to protect the portraits of Kim Il-song and

Kim Chong-il that were on the verge of being blown away when a grenade was exploded.

Meanwhile, at the Sixth WPK congress in 1980 Kim Il-song proclaimed at home and abroad that Kim Chong-il will be his official heir, and promoted him to the posts of permanent member of the Standing Committee of the Political Bureau of the party Central Committee, member of the party Secretariat, and member of the National Defense Commission. Thus Kim Il-song raised Kim Chong-il's standing to fourth place in the party hierarchy after Kim Il-song, Kim-il, and O Chin-u. Kim Chong-il was named first vice chairman of the National Defense Commission, a powerful government organization, at the first session of the Ninth Supreme People's Assembly [SPA] on 24 May 1990. With this appointment, he now came to secure his influence not only on the government but also upon the military. Subsequently, he secured for himself the post of the supreme commander of the KPA (24 December 1991), the rank of marshal (20 April 1992), and the chairmanship of the National Defense Commission (20 April 1992), culminating the process for bringing the military under his control.

North Korea is touting that Kim Chong-il excels not only in military-ideology but also in military-technology. Extolling Kim Chong-il in a 23 April, 1992, NODONG SINMUN article marking the 60th founding anniversary of the people's Army, KPA Senior General Cho Myong-nok, stressed: "Our people's Army has further strengthened and developed into a one-a-match-for-100 fighting force thanks to the energetic leadership of the respected and beloved commander, the comrade who perfectly embodies the chuche-based military ideology of the leader and has been brilliantly implementing it... Our KPA officers and men are deeply cherishing their sense of great honor and happiness in holding their respected and beloved supreme commander in high esteem as marshal of the DPRK."

The North Korean military is no longer an obstacle to Kim Chong-il in the process of succession to power because influential military figures are vying with one another to pledge their loyalty to him. In his (23 April 1992) NODONG SINMUN article, KPA Senior General Kim Pong-il pledges his loyalty to Kim Chong-il in these words: "Our respected and beloved supreme commander enjoys the absolute support and trust of our people and the revolutionary people of the world over because by sagaciously leading our revolutionary Armed Forces, he has made such immortal achievements that will be long remembered from generation to generation... In the future, as in the past, we will hold the supreme commander in esteem with loyalty and filial piety and fight on doggedly to hasten the ultimate victory of the chuche revolutionary cause." On 23 April 1992 Kim Chong-il issued "orders" in his capacity as supreme commander promoting 664 officers to the rank of general officer as a reward for their loyalty.



In his 24 April 1993, address marking the 61st founding anniversary of the people's Army, Choe Kwang, KPA chief of general staff, paid tribute to Kim Chong-il in these words: "Currently, our KPA members are bringing about a great turning point... in every aspect of military construction under the outstanding and seasoned leadership of the respected and beloved supreme commander, Comrade Kim Chong-il... Respected and beloved Comrade Kim Chong-il presented a military construction line for chucheizing the entire Army to suit the development of our revolution and has judiciously led the struggle for its implementation." Pledging loyalty to Kim Chong-il, Choe Kwang said: "I offer the greatest honor and my foremost gratitude to the respected and beloved leader Comrade Kim Chong-il, supreme commander of our revolutionary Armed Forces, on behalf of all our people and all the officers and men of the KPA, who feel a boundless sense of admiration for and fervent loyalty to him."

Well, specifically, who are the supporters of Kim Chong-il in the military? Kim Chong-il supporters in the military may be divided roughly into two categories. The first category is the group among the first generation in the ranks of the revolution that actively supports him. Included in this category are: O Chin-u, Choe Kwang, Paek Hak-yim, Chon Mun-sop, Yi Ul-sol, Yi Tu-ik, Chu To-il, Kim Chol-man, and Kim Kwang-chin. The second category consists mainly of graduates of Mangyongdae Revolutionary Institute among the second and third generations in the ranks of the revolution, including O Kuk-yol, Kim Kang-hwan, Kim Tu-nam, Yi Pong-won, and Choe Sang-uk.

O Chin-u was born in Pukchong, North Hamgyong Province, in 1917. After spending his childhood in the Jian Dao area, he joined anti-Japanese partisan operations in 1933 following Kim Il-song. After liberation he took part in the founding of the people's army. He participated in the Korean War as a guerilla commander. In the 1950's he became a corps commander and chief of staff of the Air Force. In the 1960's he became the director of the KPA General Political Bureau and chief of general staff of the KPA. He was given these positions in recognition of his meritorious services at the fourth session of the fourth joint conference of the military and the party in 1968, during which he assisted Kim Il-song effectively weeding out his fellow partisan leaders, such as Kim Chang-pong, Ho Pong-hak, and Choe Kwang. The conference was convened to purge those who had taken part in a number of military adventures, including the "21 January surprise raid on Chongwade" in 1968. Subsequently, O Chin-u became minister of people's Armed Forces in 1976, a vice marshal in 1985, and a marshal in 1992. Placed third in the ranking order of the hierarchy, he has become the number one man in the military.

Why is O Chin-u included in the category of the military elite group supporting Kim Chong-il, although he is among the first generation of revolutionaries? It was because he stood in the van of campaign in the military

to establish a ruling dynasty in North Korea in active support of Kim Il-song's line. In an article written in commemoration of the 30th founding anniversary of the party in 1975, O pledged that the military would strive to maintain the Kim Il-song/Kim Chong-il regime and be faithful to its role as the Army of the party. He said: "By most accurately embodying the revolutionary ideology and intentions of the great leader, we must unconditionally accept all policies laid down by the party center and implement them to the last, and wage an acute uncompromising struggle against even a trivial phenomenon and element contradictory to the revolutionary leadership of the party."

With this as a precedent, generals began to publish articles pledging their loyalty on the subsequent founding anniversaries of the party and the people's Army. When O Chin-u was seriously injured in an traffic accident in the early fall of 1985 on his way home after discussing with Kim Chong-il the disciplinary issue involving O Kuk-yol, Kim Chong-il took a quick action to save O Chin-u who was on the verge of death. On the personal level, this provided a decisive momentum for O Chin-u's abiding loyalty to Kim Chong-il. Since then O is said to have been an active supporter of Kim Chong-il and part of his informal operational style, namely, "guest-house politics."

Choe Kwang was born in North Hamgyong Province in 1917. In the late 1920's he moved to the Jian Dao area, where he dropped out of Taesong Middle School in Yongjong. Beginning in 1935 or thereabout he joined Kim Il-song in the partisan group to wage the anti-Japanese armed struggle. As a member of the first generation of revolutionaries, he is currently the KPA chief of general staff. After serving as vice minister of national defense in 1962, he was promoted to the post of KPA chief of general staff in 1963. But in 1969 he was relegated to a miner at Songjin Colliery, held responsible for the delayed report on the antiparty conspiracy case in the military. However, thanks to his exemplary prison behavior and the devoted efforts of his wife, Kim Ok-sun, who maintained an intimate relationship with the Kim Il-song family, Choe was rehabilitated in 1977. Such a case is very rare. The fact that his crime was relatively minor and that he belonged to the first generation of revolutionaries might have been the reason for his rehabilitation. Nevertheless, the shift of focus in North Korea's cadre policy from purge to "partywide leadership" should be regarded as the main reason.

Choe Kwang was reinstated as chief of general staff in 1988 succeeding O Kuk-yol. Currently, he is placed 11th in the ranking order of the power hierarchy. In view of North Korea's power structure, he definitely belongs to the group loyal to Kim Chong-il. In his speech to the 25 April 1992, rally marking the 60th founding anniversary of the people's Army, Choe did not highlight Kim Chong-il much, and as a result, was regarded as the leader of the anti-Kim Chong-il elements within the military. But in his 1993 speech marking the 61st founding anniversary of the army, he pledged his loyalty



to Kim Chong-il, reaffirming his position as one of the elite supporters of Kim Chong-il.

Paek Ham-yim was born in North Hamgyong Province. He moved to Jian Dao, Manchuria, with his parents when he was young. He began to serve as Kim Il-song's bodyguard when he was 16. Because of this connection, he became a company commander in Kim Il-song's bodyguard unit after liberation and has since been one of Kim Il-song's confidants. Paek was promoted to general on Kim Il-song's 74th birthday in 1985, and subsequently appointed as head of the Ministry of Public Security, an organ of surveillance and suppression. Thus he has been active as a sentinel for the preservation of the Kim Il-song/Kim Chong-il dynasty.

Kim Chol-man hails from South Korea as does Yun Ki-pok, who was among the top elite class of North Korea. After engaging in guerrilla activities in Manchuria, he returned to Korea in 1946. During the Korean War, he served as chief of staff for operations in the Ministry of National Defense, and successively served as a division commander, the director of operations in the Ministry of National Defense, and the commander of the 2d Army Corps. He participated in drafting the four-point-military line that was adopted in December 1962, and has been active as a military theorist.

Kim Chol-man, like O Chin-u, Choe Kwang, and others, belongs to the partisan generation, the prop of the Kim Il-song/Kim Chong-il regime. Most probably he will represent the Kim Chong-il supporters in the military in the future Kim Chong-il era.

Those who took part in the anti-Japanese armed struggle as young fighters, include beside those already mentioned above: Yi Ul-sol (73, director of the General Bureau of Security, vice marshal); Chon Mun-sop (73, vice minister of people's armed forces, full general); Yi Tu-ik (72, member of the Military Affairs Committee under the WPK Central Committee, vice marshal); Chu To-il (77, commanding general of the Capital Defense Command, vice marshal); and Kim Kwang-chin (75, vice minister of people's Armed Forces, vice marshal). These are the ones who devoted themselves to helping Kim Il-song overcome the worst domestic conditions after liberation. Particularly, in the course of the "bloody purge" staged by Kim Il-song, they cruelly executed those belonging to the domestic faction, the Yonan faction, and the pro-Soviet faction, thereby proving themselves to be the most meritorious servants in building a ruling structure based on fear. As a reward for their devotion, they were given the privilege of being sent to the Soviet military academy after the Korean War to learn modern military science and know-how. They are expected to become the prop of Kim Chong-il's power in the North Korean ruling structure, in which it is difficult to pinpoint who belongs to the Kim Il-song/Kim Chong-il elite group.

Members of the military elite supporting Kim Chong-il with Mangyongdae Revolutionary Institute graduates at

the center currently occupy key military posts such as those of KPA corps or division commanders. In the event of the worst contingency, such as a popular uprising, they would become the mainstay of the Kim Chong-il regime.

O Kuk-yol is a son of O Chang-hup, who died in action while engaging in anti-Japanese guerrilla warfare with Kim Il-song in the latter part of the 1930's and has been esteemed as a hero. O Kuk-yol was among the first graduating class of Mangyongdae Revolutionary Institute, which was established in 1947 for the bereaved children of fallen revolutionaries. After graduation he studied at the Soviet military academy, and subsequently became commander of an Air Force fighter wing in 1964, commander in chief of the Air Force in 1971, and KPA chief of general staff in September 1979. As a typical loyalist befitting the slogan "Let us be loyal continuing from generation to generation," he is one of the most influential men in the military faction supporting Kim Chong-il.

O Kuk-yol was in such good graces of Kim Il-song and Kim Chong-il that he became the KPA chief of general staff with the rank of lieutenant general in 1979. He was appointed to the WPK Central Committee, the Political Bureau, and the Military Affairs Committee at the Sixth WPK Congress in 1980. He was promoted to general in 1985, but was succeeded by Choe Kwang as chief of general staff in February 1988. Some experts say that O Kuk-yol lost his post as chief of general staff because of his rivalry with O Chin-u, minister of people's Armed Forces. However, others say that the replacement represents a strategic move designed to enable O Kuk-yol to assist Kim Chong-il behind the scenes. Reportedly, he currently holds his post as director of the worker-peasant red guard department of the WPK Central Committee. It is certain that O Kuk-yol will be one of the key figures in the military hierarchy, holding such key posts as minister of people's Armed Forces in the Kim Chong-il era.

Kim Kang-hwan is regarded as one of the "troika" among the military elite group supporting Kim Chong-il, the other two being O Kuk-yol and Kim Tu-nam. He was born in Pyongyang in 1931, and participated in the Korean War when he was enrolled at Mangyongdae Revolutionary Institute. After the war, he attended the Soviet military academy. He began his military career as a guidance worker at the military affairs department of the party in 1962 and has been active mainly in the field of military operational planning. At the 1980 Sixth WPK Congress, which designated Kim Chong-il as Kim Il-song's heir, Kim Kang-hwan was appointed to such key posts as member of the WPK Central Committee, member of the WPK Military Affairs Committee, candidate member of the Political Bureau, and deputy chief of general staff of the KPA. He was promoted to the directorship of the military affairs department of the party in February 1984.



Kim Tu-nam was born in Pyokdong in North Pyongyang Province in 1928. After liberation, he attended Mangyongdae Revolutionary Institute, Hoeryong Military Institute, and the military academy. He became director of military affairs in 1980 and subsequently became deputy director of the party's department of organization and guidance in charge of the 13th bureau, which controls "party guidance" to all of the people's Army.

Yi Pong-won, deputy director of the general bureau of political affairs of the people's Armed Forces for organizational affairs, is a native of North Hamgyong Province. He, a graduate of Mangyongdae Revolutionary Institute and Kim Il-song University, is among the North Korean elite. He is Kim Chong-il's key aide who takes charge of party work (personnel and organization) within the military in compliance with Kim Chong-il's wishes. Reportedly, he took part in the working-level planning for the personnel and organizational program that the military launched after Kim Chong-il was named KPA supreme commander in December 1991. [passage omitted]

The basic goal of North Korea's military policy is to secure international support for the communization of the Korean Peninsula. Branding the U.S. Forces in South Korea as the greatest obstacle to bringing South Korea under the *chuche* ideology, North Korea has tried hard to arouse world public opinion in favor of its demand for the withdrawal of U.S. Forces. In an attempt to bring all of Korea under socialism, Kim Il-song announced a program for "strengthening the three revolutionary forces" at the 27 February, 1964, Eighth Plenum of the Fourth WPK Central Committee, calling for the strengthening of the revolutionary forces in North Korea, the revolutionary forces in South Korea, and the international revolutionary forces.

With the 1955 Bandung Conference as a momentum, North Korea began to step up its diplomacy toward Third World countries, breaking out of the confines of its block diplomacy centering on China, the Soviet Union, and East European socialist countries. In this process, North Korea concentrated on military assistance as a means for winning the support of Third World countries beginning in 1970. The military assistance to Third World countries took various forms, such as dispatching North Korean military advisory and security teams, inviting military personnel from those countries for training on its soil, and providing weapons, military technology, and services. Recently, North Korea has been exporting Scud missiles to Syria, Iraq, and other Middle East countries. According to a 1990 U.S. congressional report, the volume of North Korean arms exports in the 1986-1989 period totaled \$2.18 billion, and North Korea became the seventh largest arms exporting country in the world.

To be sure, one of North Korea's military foreign policy goals is to earn "foreign exchanges" by securing markets for its weapons. But the ultimate goal is to pursue its national goal of strengthening the world's revolutionary

forces. Therefore, it is expected that as long as bringing the entire Korean Peninsula under the *chuche* ideology remains North Korea's national goal, North Korea will continue to pursue its military diplomacy through arms exports. One of the reasons North Korea persists in developing nuclear weapons is that a major goal of its nuclear development program is not only to achieve the pure military objective of strengthening a "self-defense capability" but also to enlist the support of Third World countries by exporting nuclear development technology to them. In the last analysis, the external military policy of Kim Il-song and Kim Chong-il is aimed at using its military potential as an instrument for strengthening the world's revolutionary forces and thereby avoiding international isolation.

However, under the circumstances in which the United States holds the hegemony of the world, the question remains: Will North Korea be able to continue, even passively, its policy of strengthening the world's revolutionary forces through arms aid? To find an answer to this question, let us examine Kim Chong-il's personality and political ability.

Kim Chong-il was begat by Kim Il-song and his wife, Kim Chong-suk, on 16 February 1942 (some say he was born in 1941). He has a sister and a younger brother. Not much information is available regarding him, such as the date and place of his birth, whether he studied abroad or not, his personality, his ability to manage state affairs, and his policy preferences.

Opinions are divided among experts on North Korean affairs with regard to Kim Chong-il's political ability. Nevertheless, inasmuch as he has learned management skills for these 30 years since he became a "functionary" of the party's department of organization and guidance in 1964, he is presumed to have mastered statecraft. Accordingly, he will presumably make reasonable policy choices. Despite the flaws in his personality, he is not expected to adopt reckless solutions to problems by resorting to arms.

Therefore, it may be inferred that the North Korean Army, "the leader's army," despite its bellicosity, will not act in contradiction to Kim Chong-il's policy line. It is also unlikely that Kim Chong-il will choose a sort of partisan-style military adventurism and turn North Korea into the scene of a tragedy. Moreover, given the fall of the so-called "fraternal socialist countries" and the established status of the United States as the sole superpower, Kim Chong-il is forced to be in a defensive position. That is why he is expected to choose the option of trying to solve problems through negotiations, at least from a strategic point of view. In the final analysis, most probably Kim Chong-il would not dare to make a preemptive local or all-out military provocation, as long as the worst situation can be avoided in which the surrounding big powers are compelled to launch an armed attack.



## South Korea

### First Session of U.S.-DPRK Talks Held in Geneva

#### 'Positive Change' Seen in DPRK Attitude

SK1507004393 Seoul KBS-1 Radio Network in Korean  
0005 GMT 15 Jul 93

[Text] The ROK Government assessed that North Korea made a positive change in its attitude by not insisting on its withdrawal from the Nuclear Nonproliferation Treaty in the U.S.-North Korean talks yesterday. It said that this change will brighten the second round of the Geneva talks.

A government official said: The North Korean attitude toward the first-day session of the talks with the United States is regarded as an expression of its agreement to implement the Nuclear Safeguards Accord. It is quite possible that North Korea will agree in principle to special inspections [tukpyol sachal], too. Our government will take measures for the possible inspections of North Korea.

He also said: I think that the United States and North Korea will reach an agreement on the resumption of general inspections [ilban sachal], which have been suspended, during the Geneva talks.

#### Delegates Comment After Meeting

SK1407224493 Seoul KBS-1 Radio Network in Korean  
2100 GMT 14 Jul 93

[by KBS-1 radio news report team from Geneva]

[Text] The United States and North Korea reached an agreement to hold the next round of Geneva talks for resolving the nuclear issue tomorrow. Hence, a possibility for the solution of the North's nuclear issue is further heightened.

Robert Gallucci, chief U.S. delegate and assistant secretary of state for political and military affairs, said that the second stage of high-level talks, which ended at dawn today [Korean local time], had productive contents [sangsanchookin naeyong]. He said that they have agreed to hold the talks in the North Korean mission in Geneva tomorrow.

Kang Sok-chu, North Korea's chief delegate and first vice foreign minister, also said that seven-hour long talks were held in a sincere atmosphere, and that there were some parts on which both sides shared the same view. He added that the nuclear issue on the Korean peninsula and the impartiality of the International Atomic Energy Agency [IAEA] were intensively [pognolgae] discussed during the talks.

The talks were 30 minutes longer than what had been expected, and the two sides held a reception more than an hour after the talks, hinting that the talks were successful.

Robert Gallucci, chief U.S. delegate, explained the result of yesterday's talks to Ho Sung, ROK ambassador to Geneva, at once.

The talks which were held in Geneva was the second stage of U.S.-North Korea high-level talks to discuss IAEA nuclear inspection on North Korea. The United States has urged North Korea to accept special inspection whereas North Korea has raised an issue of IAEA impartiality.

#### DPRK Delegate: Talks 'Productive'

SK1507005093 Seoul YONHAP in English 0035 GMT  
15 Jul 93

[Text] Geneva, July 14 (YONHAP)—North Korea and the United States confirmed progress at Wednesday's nuclear talks here and promised to meet again on Friday. Chief delegates from the two countries emerged from the seven-hour meeting at the U.S. representative office and described the talks as "useful."

North Korean Vice Foreign Minister and head delegate Kang Sok-chu added that the talks were also "productive" and that the two sides covered a wide range of issues including nuclear issues regarding the Korean peninsula, nuclear inspection on North Korea and impartiality of the International Atomic energy agency (IAEA). Robert Gallucci, U.S. assistant secretary of state, saying that the discussions were for solving the important North Korean nuclear problem, said that Wednesday's discussions were useful but refused to comment further.

Washington had repeatedly said it will leave the table if talks with North Korea proved unproductive. Observers say the promise to meet again Friday signals progress at the Wednesday meeting.

This week's negotiations are second set of high-level talks between the two countries who have no diplomatic relations. Last set in New York a month ago succeeded in keeping North Korea tied to the Nuclear Nonproliferation Treaty (NPT), keeping alive its obligation with the IAEA to accept nuclear inspections.

Sources said Wednesday's talks proceeded in a very official atmosphere and provided an opportunity for each to explain its stance on all issues relevant to the nuclear controversy. "Useful" means neither side attempted to break off the negotiations, sources said, but where the meeting was "productive" would be seen at the end of second meeting Friday.



**Countries To Adopt 'Joint Statement'***SK1507110093 Seoul YONHAP in English 1044 GMT  
15 Jul 93*

[Text] Seoul, July 15 (YONHAP)—North Korea and the United States neared a substantial agreement during the first session of their second-phase talks in Geneva on Wednesday [14 July] and are almost certain to adopt a joint statement at the second session on Friday, a South Korean Government official said Thursday.

He said the joint statement would contain a broad-worded phrase saying that North Korea would enter talks with the International Atomic Energy Agency [IAEA] for the early fulfillment of its nuclear safeguards treaty obligations, instead of using a clearcut expression about North Korea's acceptance of special IAEA inspections of undeclared facilities in the Yongbyon area.

At Wednesday's meeting, the United States was known to have told the North Koreans that if they would accept special IAEA inspections, the U.S. would give negative security assurance, reaffirm the non-existence of nuclear weapons in South Korea, and suspend the Team Spirit military exercise next year.

The official said that in his keynote speech, U.S. Assistant Secretary of State Robert Gallucci said that if North Korea were more cooperative, the U.S. would also allow more items to be traded with North Korea and be willing to have additional talks with North Korea for expanded socio-cultural exchanges as well as improved relations.

"Mr. Gallucci told North Korea that the U.S. could affirm the statement made by the Seoul government that there are no nuclear weapons in South Korea and that the Team Spirit could be suspended next year if South Korea agrees," the official said.

He explained that negative security assurance means that the U.S. would not directly use nuclear weapons or pose nuclear threat against a country that does not possess nuclear arms.

If the second-phase talks succeed, a third-phase meeting is likely to be held in early August to discuss relations improvement and the issue of simultaneous South-North nuclear inspections, he added.

**Iran Said To Place Order for 150 DPRK Missiles***SK1407114893 Seoul YONHAP in English 1131 GMT  
14 Jul 93*

[Text] Tokyo, July 14 (YONHAP)—The "Nodong No. 1" missile North Korea has newly developed has the circular error probability (CEP), an indicator of accuracy, of about 2,000 meters, the SANKEI SHIMBUN published here reported in a dispatch from Washington on Wednesday. Quoting a reliable source, the dispatch said the North Korean missile lags behind comparable American and former USSR missiles in accuracy, but can pose a tremendous threat in war.

North Korea test-fired three missiles toward the East Sea on May 29-30, one of which was "Nodong No. 1," it said, adding that the missile is known to have a range of 1,300km but during the test the range was about 500km probably because of the use of a heavy warhead. "Nodong No. 1" measures 15.8 meters in length and 1.2 meters in diameter and uses liquid fuel. The missile normally uses warheads of 1,000 kg, the paper said.

It also said North Korea started to develop the new missile in 1989 and completed its prototype in 1991. Originally it had the range of 1,000km but North Korea prolonged the range to reach 1,300km at the request of Iran, a would-be buyer. Iran wanted to make it 1,300km so that it could reach Israel from Iran.

SANKEI said an Iranian mission of 21 people visited Pyongyang last April to sign a contract for the purchase of 150 "Nodong No. 1" missiles. The 2,000-meter CEP means that the chance for a missile falling on within 2,000-meter radius of a target are 50 percent. America's latest inter-continental ballistic missiles are known to have the CEP of 100 meters.

**Magazine: Nuclear War DPRK's 'Last Gamble'***SK1407122793 Seoul KBS-1 Radio Network in Korean  
1100 GMT 14 Jul 93*

[YONHAP from Hong Kong]

[Text] ASIaweek, a magazine on current affairs published in Hong Kong, reported that North Korea's development of nuclear weapons is ultimately aimed at the ROK, and North Korea may start a nuclear war as a last gamble.

In a special article featuring the Korean war, the latest edition of ASIA WEEK published today wrote that when President Kim Il-song dies, North Korea will be dragged into a power struggle, triggering an internal war [naejon]. The magazine said that if rebellion is prolonged and the economy gets worse, North Korea will probably start a nuclear war as a last gamble. Because of this, the United States and the ROK are putting strong pressure on North Korea in connection with its nuclear development plan.

ASIA WEEK also stated that the North and the South of Korea will promptly achieve reunification through economic cooperation only if the North Korean nuclear issue is resolved.

**BAI: DPRK 'Water Offensive' Threat 'Exaggerated'***SK1507055893 Seoul THE KOREA HERALD in  
English 15 Jul 93 p 2*

[Text] The Board of Audit and Inspection (BAI), probing the construction of the so-called Peace Dam, has tentatively decided that the government of ex-President Chon Tu-hwan "exaggerated" the potential threat of a water offensive from North Korea, when it pushed the counter-dam construction in 1986-1987. A BAI official said



yesterday that "a recent analysis of related documents and information shows that the Agency for National Security Planning (NSP), which spearheaded the counter-dam project, presented to the people the worst potential situation."

He said the BAI has made a "tentative" conclusion that the Chon government's claim that North Korea's Kumgangsan Dam, if destroyed, could cause serious floodings in the South jeopardizing the Seoul Olympics in September 1988, was exaggerated. North Korea has claimed that the total poundage of Kumgangsan Dam in the North was less than 3.6 billion tons, much smaller than that of Soyang Dam in South Korea.

The NSP, on the contrary, said at that time that the Kumgangsan Dam could contain up to 20 billion tons of water, predicting that the dam would be 215 meters high. North Koreans began building Kumgangsan Dam in late 1986, four months before the South started to build a counter-dam, coined the Peace Dam. The Peace Dam is located just 12 km south of the DMZ in Hwachon, Kangwon Province, some 120km northeast of Seoul.

North Korea halted the dam construction in 1988 and only recently resumed it. The BAI official said that the board was also considering questioning former high ranking government officials deeply involved in the decision to build the Peace Dam, including then Defense Minister Yi Ki-paek, then Construction Minister Yi Kyu-ho, and Yi Hak-pong, then second deputy director of the NSP.

The Chon government, citing the possibility of an enormous water offensive from the North, launched a fund-raising campaign, which collected over 60 billion won from citizens. The dam construction started in February 1987 and its first-phase work was finished in May 1988 at a total cost of over 150 billion won.

The BAI official said that the board, key to President Kim Yong-sam's anticorruption drive, was also looking into why the Chon government so hurriedly began to build the counter-dam, which is often described as a symbol of distrust and waste. Meanwhile, the BAI requested the Defense Ministry to take punitive measures against Gen. Cho Nam-pung in connection with irregularities in the Yulgok military modernization plan. Cho is to be dismissed as First Army commander today.

#### **Japanese Government May Be Questioned on Reporter**

*SK1507100793 Seoul YONHAP in English 0947 GMT 15 Jul 93*

[Text] Seoul, July 15 (YONHAP)—The prosecution, investigating a Japanese correspondent on espionage charges, consider [as received] sending a written questionnaire to the Japanese Government to find out details about the classified materials he passed to Japanese military officers. A source at the Seoul district prosecutor's office said on Thursday [15 July] a questionnaire, if

actually sent, would ask Tokyo about the 27 military-related items which Masato Shinohara of Japan's Fuji Television allegedly passed to two Japanese military attaches in Seoul.

The prosecutor's office also believes that questioning of the two Japanese military officers involved would be needed in determining the background leading to Shinohara's passing of the materials to them and where the officers used the items. The two military attaches are Air Force Col. Kazuyuki Fukuyama and Army Col. Takashi Fukuyama.

Meanwhile, investigators on Thursday questioned Shinohara, now under detention at the Seoul prison, chiefly about the pictures he took of Korean and U.S. military installations. The prosecution wanted to find out where he used the pictures and if there was any help from Korean military people in his photo-taking.

#### **President Sends Message to Miyazawa on Earthquake**

*SK1407085493 Seoul YONHAP in English 0840 GMT 14 Jul 93*

[Text] Seoul, July 14 (YONHAP)—President Kim Yong-sam sent a message to Japanese Prime Minister Kiichi Miyazawa Wednesday expressing deep sympathy for the victims of the earthquake that hit areas near Hokkaido on July 12. "I feel profound sympathy for those who suffered losses of lives and properties from an earthquake. The Korean people and the government send their ardent wish that your government and people will recover from the damage as soon as possible," it said.

#### **Japanese Minister Views Ties With Seoul, Pyongyang**

*SK1507065293 Seoul CHOSON ILBO in Korean 15 Jul 93 p 5*

[Interview with Japanese Vice Foreign Minister Hisashi Owada by Kang Chon-sok, head of the CHOSON ILBO political department, on 13 July at the official residence of the Japanese ambassador to the ROK]

[Excerpts] [passage omitted] [Kang Chon-sok] There are views that there is a difference between the United States and Japan in the attitude of approaching North Korea's nuclear issue.

[Hisashi Owada] There are no different views regarding this matter among the ROK, the United States, and Japan. Nuclear nonproliferation is a basic element for the world's security. North Korea's nuclear development must be prevented without fail. Important progress was made in the last U.S.-DPRK talks but I believe that no essential issues were resolved. The three countries must cooperate so that North Korea completely returns to the Nuclear Nonproliferation Treaty and that it accepts the International Atomic Energy Agency's nuclear inspection.



[Kang] Japan-DPRK negotiations to establish diplomatic relations have been suspended since November 1992. What is the reason for this and when will you resume the talks?

[Owada] After Mr. Kanemaru's visit to North Korea in September 1990, Japan and North Korea met on eight occasions. North Korea walked out of the eighth round of talks because of the Yi Un-hae [missing Japanese woman who Japan alleges was kidnapped by North Korea and was forced to teach Japanese to Kim Hyon-hui, who was convicted of bombing a KAL flight in 1987] case. Since then the talks have been suspended. The reason for the suspension in the talks lies in North Korea. Japan will work to carry out the negotiations from two aspects. The first aspect is that as part of settling the postwar matters, Japan will work to normalize relations with North Korea. The second aspect is an international one in which it will work to contribute to peace and security on the Korean peninsula. North Korea's nuclear development has close relations with peace and security on the Korean peninsula. Japan is always willing to resume the talks but this matter lies in North Korea. Currently, the prospect for talks is not certain.

[Kang] How do you assess China's influence in the process of resolving North Korea's nuclear issue?

[Owada] Since China has maintained close relations with North Korea up until now, I believe China will have greater influence than other countries. Japan has closely consulted with China regarding North Korea's nuclear issue and will continue to do so. Since China has a good knowledge of North Korea, it will know of a good way to persuade North Korea. [passage omitted]

[Kang] The new ROK Government is giving living expenses to former comfort women from the government budget. More than any of its former governments, it is taking a future-oriented attitude regarding the issue of the past history between the ROK and Japan. With the past as a lesson and to map out the future, how will Japan settle the past problems?

[Owada] The two countries should be able to develop as partners in the newly changing international relations. Japan should not forget to reflect upon its past history. However, it is also important for the two countries to establish future-oriented relations, transcending the past. What is most important in the past history is to educate the next generation. This should be reflected in textbooks, and efforts should be made so that children do not forget it. Also, work should be promoted to cooperate with each other for the future. I would like to ask the ROK to exert future-oriented efforts for joint efforts by the two countries. The new government shows that it is trying to attach great importance to ROK-Japan relations. It also has new enthusiasm to overcome the past and establish future-oriented constructive relations. The issue of comfort women was legally resolved in 1965. However, another problem that still remains is

that former comfort women are suffering from psychological problems. It will be important in the future to view how the Japanese people react to this matter.

[Kang] In conclusion, as a sign of a new start in ROK-Japan relations, when do you think that the two heads of states will be able to meet?

[Owada] I believe that now, after the new government has set sail, is the most appropriate time to improve relations between the two countries. It will be desirable to hold talks as soon as possible but it is not certain when President Kim Yong-sam can come to Japan. I hope that the two heads of states can meet as soon as possible.

### **Smuggling of PRC Agricultural Products Increases**

*SK1507034593 Seoul YONHAP in English 0213 GMT 15 Jul 93*

[Text] Changwon, South Kyongsang Province, July 15 (YONHAP)—As the prices of farm products keep going up in Korea, smugglers are flooding the market with cheap Chinese goods ranging from sesame and mushroom to beef. Authorities are concerned not only because they are undercutting the prices of domestic products but also because the Chinese goods were often found to be contaminated with toxic chemicals or deadly germs.

But government officials could not do anything about them as smugglers are beating the system by sneaking in their contraband through small, isolated ports such as Koje, Chungmu and Samchonpo in South Kyongsang Province, under the cover of darkness at night. "There is simply no way of stopping determined smugglers since customs offices in small ports are hopelessly undermanned and guarding the country's long coastline is nearly impossible," said an official.

Finding that they could easily escape official surveillance, many smugglers have become bold and impudent, the official said. In the past, they had smuggled small quantities of goods after receiving them from Chinese ships on high seas. Most of the smuggling had been done by individuals or small groups.

But now many of them are working for smuggling rings with organizers, intermediaries and actual smugglers playing their role effectively, according to informed sources. The smugglers take their ships into Chinese territorial waters or to small, isolated islands off mainland China and buy their goods. Their contraband sometime could reach hundreds of tons.

A man, identified as Pak Son-ton, was caught on June 8 at Chinhae port, while he was unloading 254 tons of Chinese sesame worth 1.8 billion won (2.25 million U.S. dollars). Pak and two accomplices took two vessels May 23 to an island near Shanghai and bought sesame on May 28.

Pak said his smuggling operation was carried out under the direction of a man named Min, who is now on a



police wanted list. Pak's vessels arrived at Chinhae port on June 7 and they were loading the sesame into eight trucks when police swooped down on them. The three were arrested but Min got away. More than a month after the incident, police admit that they could not say who was "pulling" the string behind Min.

In another case, a woman, identified as Om Mi-hwa, a pharmacist of Chinese medicine, and Yi To-pong, owner of a small ship, were arrested by the police on June 22. They took Yi's ship out into Chinese territorial waters on June 15 and purchased Chinese herbal medicine worth 300 million won.

What inspires those smugglers to undertake their risky business is of course cheap prices of Chinese goods. One kilogram of sesame, for instance, which cost 1,000 won in China are sold at 4,500-5,000 won here. One kilogram of beef is sold in China at 1,500 won or one tenths of the price here.

Sesame is the most favorite item for smugglers. But frozen fish, beef and herbal medicine are also said to be profitable. Among the smuggled items, some beef were found to be infected with dangerous germs, causing alarms among customs and health officials.

Paek Chong-am and Chang Pong-ho smuggled 16 tons of beef worth 250 million won from China on Jan. 23, but the beef was found to be infected with foot-and-mouth disease. Paek has since admitted that he had been connected with a Korean-Chinese smuggling ring in China's Shandong Province, officials said. The ring has smuggled in Chinese beef in exchange for second-hand automobiles. Its shady deals raked in profits in hundreds of millions of won, the officials added.

The Changseungpo Customs Office, which covers the ports of Chungmu and Samchonpo, detected nine cases of smuggling worth 695 million U.S. dollars in the January-June period, compared with 17 cases worth 463 million won of the same period last year. The Masan Customs Office, which covers Chinhae port, uncovered 12 cases worth 1.77 billion won, compared with 11 cases worth 1.23 billion won a year ago.

But the number of smuggling cases was cut at Ulsan Customs Office, which covers the ports of Ulsan and Onsan. It has uncovered eight cases worth 53 million won, compared with 14 cases worth 4.84 billion won. Customs officials are heightening their vigilance against increasing cases of smuggling in cooperation with the police and the military but they admit it is extremely difficult to catch smugglers because their elusive methods of operation.

**Direct Telecom Link With PRC To Begin 15 Jul**  
*SK1407004393 Seoul THE KOREA TIMES in English*  
14 Jul 93 p 3

[Text] Direct telecommunications go into service between South Korea and China tomorrow, significantly

enhancing the quality of data transmission, Korea Telecom said yesterday. Data telecommunications services ran into a number of difficulties, such as low call completion rates, mainly because they were directed through third countries including Japan.

Telecom officials said there had been a sudden increase in the volume of calls between the two countries since the establishment of formal diplomatic relations last year. Owing to the introduction of telecommunications services on a temporary basis, the quality was relatively poor and the cost expensive.

With the installation of direct services, subscribers can fully utilize all types of telecommunications through the utilization of the HINET-Packet by hooking up telephone lines with personal computers or terminals. The cost of the services is 5 percent less expensive than those offered by other providers of similar services.

The range of services also includes telex and facsimile transmissions, access to databases and electronic mail, the officials said. The inclusion of China increase to six the number of countries with which South Korea has direct telecommunications links. The five others are the United States, Japan, Italy, Hong Kong and Singapore.

#### **Shell To Help Korean Group in SRV Oil Exploration**

*SK1107013793 Seoul THE KOREA HERALD in English*  
11 Jul 93 p 8

[Text] The Shell Group has agreed to acquire a 30 percent interest in a Korean consortium's rights to explore an offshore mining block in Vietnam, Korea Petroleum Development Corp. (PEDCO) said yesterday. PEDCO President Chang Sok-chung and his Shell counterpart Reinhardt inked a deal on Shell's acquisition Friday, a PEDCO spokesman said.

Oil majors, including Exxon, Mobil and Amoco, had been negotiating with a consortium of eight Korean companies, including PEDCO over Vietnam's 11-2 Mining Block, he said. The deal will be submitted to Vietnamese authorities to obtain approval under earlier agreement, according to the spokesman.

PEDCO, representative of the Korean consortium, he said, plans to strike a agreement with Shell to jointly operate the mining block. The agreement will enable Korean companies to acquire Shell's rich technology related to prospecting and as well ease their financial burden, he said.

#### **Think Tank Urges Seoul 'Mediator' Role for ASEAN**

*SK1407093693 Seoul YONHAP in English*  
0833 GMT  
14 Jul 93

[Text] Seoul, July 14 (YONHAP)—A foreign policy think tank urged South Korea Wednesday to seize the opportunity now and grip a mediator role between the



Association of Southeast Asian Nations (ASEAN) and Pacific countries in fomenting regional security dialogue.

"ASEAN has geographical limitations as a Southeast Asian body. Therefore, it is not an appropriate forum to deal with security issues of the entire Asia-Pacific region," said a report out by the Foreign Ministry's Institute of Foreign Affairs and National Security (IFANS).

While the six-member group has quickly developed into a security dialogue channel over the past two years, there still remain complications such as competitive caution against Northeast Asian counterparts including Japan and China and internal opinion differences on defining the scope of "security," whether it covers something more than military concepts, IFANS said.

But the destiny of ASEAN as a security dialogue channel is in the hands of the United States who has been the regional balancer for decades through military presence, said the institute.

South Korea should closely watch the development of ASEAN and use the experience to build another security channel within Northeast Asia, IFANS urged.

"Seoul must expand its diplomatic grounds so that it can acquire the role of a mediator between superpowers of Asia-Pacific—the United States, Japan, China and Russia—and ASEAN," said the report.

"It needs to seek and take joint steps with other countries of similar positions, such as Australia and Canada," it said, recalling the influence of the three countries who mediated establishment of the Asia-Pacific economic cooperation.

#### **Kim To Pursue Reforms Throughout Five-Year Term**

*SK1507034793 Seoul YONHAP in English 0220 GMT 15 Jul 93*

[Text] Seoul, July 15 (YONHAP)—President Kim Yong-sam reiterated Thursday that his government will push reform constantly for five years until the end of his term in office. Kim, who is also president of the ruling Democratic Liberal Party (DLP), made the pledge in his address to the reorganization convention of the Chunchon district party chapter. "Reform of the nation's law and system is the important task for the DLP to push ahead with," he said. "We should go ahead without any hesitation for that goal that also includes the reform in the way of thinking and convention," he added.

Referring to the by-election of Chunchon district scheduled in mid-August, Kim said, "The more important thing than getting another parliamentary seat is the realization of clean election. Election violation is the very enemy of our reform." He did not attend the

convention in person but sent his congratulatory message to the district chapter in Chunchon, a city about 93 kilometers east of Seoul.

#### **Former Minister Behind Political 'Hit Squad'**

*SK1407113093 Seoul YONHAP in English 1038 GMT 14 Jul 93*

[Text] Seoul, July 14 (YONHAP)—The military prosecution, looking into the operation of a political hit squad by a military intelligence unit under the Chon Tu-hwan government, found out on Wednesday Yi Chin-sam, former sports-youth minister, and a senior officer of the Defense Security Command [DSC] were behind the terrorism. Yi Chin-sam, who, a retired general, was once the Army chief of staff, was the commander of the intelligence command to which the hit squad belonged.

The Security Command officer involved was Pak Tong-chun who headed the command's office No. 3 as a brig. gen. The military prosecution reported they had obtained a statement from Han Chin-ku that he had his men do the terrorism at the suggestion of Yi and Pak.

A retired brig. gen. and now a golf course president, Han headed the intelligence command's third office that directly ran the hit squad formed among ex-convicts. "At the order of my commander Yi Chin-sam to meet Brig. Gen. Pak Tong-chun of the Defense Security Command, I met Pak on Oct. 10, 1985 who gave me the mission to steal some worthwhile papers from the home of Kim Yong-sam, now the president and then Minchuhyop [Council for Promotion of Democracy] co-chairman," Han was quoted as saying.

Han told investigators he met Pak of the Security Command again in early April of 1986 when he gave him the mission to physically assault Yang Sun-chik, then vice president of the opposition New Democratic Party. In both instances, he executed the missions after duly reporting them to Commander Yi Chin-sam who gave him "go ahead" instructions, Han said.

Acting on Han's statement, military investigators met and questioned Yi Chin-sam, but he denied any knowledge about the terrorism, the military prosecution said. Pak Tong-chun left the country for the United States around 10 A.M. July 10, a few hours before the prosecution started to question Han. The hit team also tried to attack Rep. Kim Tong-chu of the opposition New Democratic Party in May 1986 but gave it up due to unsuitable conditions of the surroundings around his home, the prosecution said.

#### **Finance Ministry To Revise Foreign Capital Act**

*SK1507054693 Seoul THE KOREA TIMES in English 15 Jul 93 p 9*

[Text] The Ministry of Finance [MOF] decided to revise the outdated Foreign Capital Inducement Act as part of steps to improve foreign investment climate. The MOF said the revision will eliminate or reduce cumbersome or



duplicate documents for joint venture firms but possibly depress earnings of international law firms in Korea.

The amendment will also lead to revamping of its associated regulations and rules, which will scrap redundant documentation burden on joint ventures, the MOF said. It said the Foreign Capital Inducement Deliberation Council—an inter-ministerial panel that sometimes has checked big-ticket foreign investment projects—will be abolished.

The council has been headed by the finance minister since it was established 27 years ago. The revision of the law will reduce the time period to 10 days from the current 30 days that are needed for foreign investors to get approval from the government ministries.

The rewriting of the law will give more freedom to joint venture firms to dispose of capital equipment and stock acquisition of other companies in Korea, the MOF said. It said it will initiate consultations with the other government ministries to finalize the scope of revision of the law.

The revised act will go into force possibly from March next year after the National Assembly endorses it in autumn. The revision has become necessary to back up Korea's five-year blueprint to open the remaining domestic businesses to foreign investment, an MOF official said. The plan will open 93.4 percent of Korean industries to foreign competition by 1997, compared with the current liberalization ratio of 83 percent.

Many analysts said that lawyers handling international business in Korea will see reduction of their income at least temporarily if the government pushes for reducing and simplifying documents for foreign investors and make rules more transparent. MOF officials said they contacted with a few lawyers in Seoul to solicit their advice on what documentation and rules should be reduced, eliminated or revised to help foreigners ease what they believe cumbersome red tape.

They said these lawyers have been lukewarm in replying inquiries from the MOF. "I believe their lukewarm response might originate from their concern about reduction of income due to the simplification of application procedures for foreign investors," an MOF official said.

He noted that the more the government demands documents from foreigners and the more Korean rules are ambiguous and difficult to interpret, the more law firms can generate income. He said, "I believe about 150 lawyers handling international business in Korea will temporarily seek reduction of income if the revision of the law trims documentation burden for foreign investors."

But a Seoul lawyer who has long represented joint venture firms, welcome the government's move. He said

"we can devote ourselves to more intrinsic and creative works, such as joint venture contracts or dispute settlements, for our clients."

He added that so far international law firms have spent significant time in providing to their clients what they sometimes believe unnecessary documents that the government demanded. Foreign executives have relied on law firms for almost 100 percent of document preparation, in addition to consulting on legal affairs.

He said he does not agree with the view that the reduction of documentation requirements will depress their earnings on a long-term basis. If Seoul simplifies foreign investment procedures, more and more foreigners will rush to Korea for investment. This is good for the Korean economy and hopefully for lawyers handling international business, he said.

#### **Hyundai Unions Return to Work for Limited Period**

*SK1507112193 Seoul YONHAP in English 0951 GMT 15 Jul 93*

[Text] Ulsan, July 15 (YONHAP)—Workers of eight of the nine Hyundai Group companies engulfed in costly labor disputes, returned to work on Thursday but for a limited period until next Tuesday [20 July]. Workers reported to production lines after their unions decided to work for six days in a gesture to urge the management to be "more sincere toward negotiations with the labor."

Hyonchongnyon or the Federation of Hyundai Group Labor Unions threatened that if no satisfactory settlement is made during this period, they would go on a general strike around July 23. The only Hyundai union that carried on a strike on Thursday was that of Hyundai Construction Equipment Co. The Hyundai Motor Co. union, meanwhile, said that if no settlement is made during the limited work period, they would enter a strike right after the period.

#### **Lucky-Goldstar Revamps Structure, Management**

*SK1507054393 Seoul THE KOREA TIMES in English 15 Jul 93 p 8*

[Text] The Lucky-Goldstar business group Tuesday [13 July] announced its extensive revamping plan to sharpen its international competitive edge by introducing management renovation and streamlining its structure. The main element of the restructuring package is centered on the planned merger of five affiliates, sell-out of seven subsidiaries and separation of one company from the group.

Lucky-Goldstar also decided to force major shareholders to own less than 5 percent of the total paid-in capital so that any affiliate of the group can avoid excessive concentration of ownership on specific individuals and draw a clear line between the ownership and management of the large conglomerate. The group will also press ahead with going public [as received] still unlisted four affiliate



corporations. They include Honam Oil Refinery Co., Goldstar Industrial Systems Co., Goldstar Electron Co., and Goldstar Information Communications.

Lucky-Goldstar said the comprehensive measure is in line with the government's new five-year economic plan, which puts emphases on decentralization of economic power, which has so far been monopolized by a small number of big business concerns, or chaebol. The administration of Kim Yong-sam is stressing that chaebol must restore international competitiveness by making sure the separation of ownership and management. The government also came up with measures to force chaebol to focus its main business on two or three specialized industries.

Thus, Lucky-Goldstar decided to restructure its group in order to concentrate on finance, information and service industries in accordance with its long-term strategy for the next century. The group's merger plan will affect five companies. Goldstar Electric Machinery will be merged with Goldstar Industrial Systems, Kukje Electric Wire Co. with Goldstar Cable Co., Korea Tanker Co. with Honam Tanker Co., and Sam Kyung Petroleum Co. with Global Petroleum Co.

#### **Independently Developed HDTV To Be Shown at Expo**

*SK0807083093 Seoul YONHAP in English 0736 GMT 8 Jul 93*

[Text] Seoul, July 8 (YONHAP)—Four major South Korean electronic appliances manufacturers which have jointly developed a High Definition Television (HDTV) held an explanation session at Taejon International Exposition Thursday to publicize achievements of their project. The four companies are Goldstar, Daewoo, Samsung and Hyundai.

The HDTV has bigger screen than ordinary television receivers and its image is clearer and has a better sound system. The research cost the companies 70 billion won (87.5 million U.S. dollars). In addition to the four companies, 606 related firms had participated in the development.

The development of HDTV is significant since South Korean companies had to import technology from advanced countries for most of their products in the past. But in the case of the HDTV, Korean companies have succeeded in developing it independently and almost at the same time with those of advanced countries.

South Korea adopted digital method as the United States did. European Countries are likely to shift to the same method. Japan alone uses analogue method. Moreover, the Korea Academy of Industrial Technology, a government-invested institution, was leading the development

and private industries provided the budget and manpower, which is regarded as a new model of joint development between government and industries, the sources said.

#### **Researchers Develop New Sweet, Scented Rice**

*SK1507070293 Seoul YONHAP in English 0648 GMT 15 Jul 93*

[Text] Seoul, July 15 (YONHAP)—Say goodbye to routine rice-eating because here come rice dishes that look pretty, smell yummy, and taste superb. The rice, when cooked, emits its particular sweet smell thick enough to excite any appetite. It will hit the shelves next year, and rice that comes in several colors will be available in three years.

After seven years of trials and errors, the Rural Development Administration succeeded in adding some fun into rice eating. Farmers and agricultural experts have been racking their brains to innovate the culture of rice, which has been the country's main dish since long ago, to beat ever decreasing rice consumption and looming foreign advancement.

Researchers at the administration say the crossbred of rice grain and scented gene will smell so good when boiled that they guarantee mouth-watering experience. It will be particularly suited for making fermented rice drink and cookies because of their sweetened smell, they say.

The research team worked on the rice across 12 to 15 generation of crossbreeding to develop the optimum smell that is also well viable to Korean earth. "The rice tastes so much better that you can go without other dishes," says a researcher after three years of test on the product's adaptability and productivity.

Other rice producing countries like Indonesia have tried developing fragrant rice but failed in commercialization. "We don't exactly know about the scented gene, but only presume it to be a chemical substance called 2-acetyl-1-pitolyne," said Cho Su-yon, the administration's director of aquatic rice development, who has devoted 27 years on upgrading rice quality.

He said his office would be unveiling rice that not only smells good but come in dark violet or purple within three years. The colorful rice will be useful in making cakes as it is prettier and safer than those made with artificial colors, officials explain.

#### **KAL, Asiana Airlines Expand International Air Routes**

*SK0807034293 Seoul YONHAP in English 0241 GMT 8 Jul 93*

[Text] Seoul, July 8 (YONHAP)—South Korean national carriers are expanding international air routes this year, aviation sources said Thursday. Asiana Airlines will begin service between Seoul and Honolulu on



July 20, flying four times a week on the route, and Korean Air (KAL) will extend its Seoul-Sydney route to Seoul-Sydney-Brisbane later this month.

KAL will also start service on the Seoul-Oakland route in November and it plans to place flights between Seoul and two to three Chinese cities, including Beijing, if South Korea and China conclude a civil aviation agreement within this year. KAL began a weekly service between Seoul and Bombay, India, in March and then in June it launched a weekly service on the Seoul-Ho Chi Minh City route. Asiana Airlines started service between Seoul and Toyama, Japan, in April, flying three times a week. It opened twice-per-week service on the Seoul-Ho Chi Minh City route in July.

**\* Article Views Kim's Three-Stage Reform Theory**  
*932C0147A Seoul CHUNGANG ILBO in Korean 25*  
*May 93 p 3*

[By correspondent O Pyong-sang]

[Text] First Minister of State Kim Tok-yong, who is viewed as the brain of President Kim Yong-sam's reform campaign, has issued a paper reflecting the campaign's philosophy, shedding light on its direction and breadth.

The paper subtitled "Reform and National Development, which has been written for presentation to the political division of a "Kim Yong-sam Reform Policy Debate" scheduled for 26 May by the Democratic Liberal Party, expounds the basic concept of reform of the Kim Yong-sam presidency, and in that light explains what is going on now. Also, it explains the "three stages of reform" and its the direction and methodology. As such, the dissertation is full of suggestions.

First, in reference to its "viability," Minister Kim defines reform as "instinct for survival." It compares society to a living thing, characterizing reform as survival instinct. No life can survive unless it adapts itself to natural environmental change. Likewise, a society cannot survive when unable to adjust itself to the changing world; the adjustment in this case is called reform, he says.

Therefore, as all living things evolve constantly for survival, a society has to reform itself "incessantly" for survival, Kim writes, putting greatest emphasis on the continuity of reform.

This concept of "reform" reflects, among other things, criticisms that our society under the military rule for the past 32 years failed to adapt itself to the changing world, that human qualities had been suppressed, self-regulation trampled on and irregularities and corruption went from bad to worse under the cover of a superficial growth. On that basis, Kim insists that future reforms should seek to improve the quality of life, guarantee self-regulation and expose wrongdoing and corruption.

Minister Kim also refutes voices critical of reforms under way, contending that "reform is yet on its start line." In response to charges that the government is "digging up old cases of wrongdoing," he maintains that the current process is that of "changing the physical constitution" and "replacing contaminated blood with clean one." Therefore, some degrees of uneasiness and side effects are "inevitable phenomena in the course of self-purification" and "minimum pains," he says.

His argument also reflects the perception that the present wave of audit and inspection is a process of "pressing out the pus" and "leveling the ground to whip up an atmosphere for reform."

Minister Kim expresses the belief that although the testing self-reform process will eventually contribute to development of tomorrow although it could produce some uneasiness today. Once freed from the financial burden attributable to official irregularities and corruption, business management will find that much less pressure on its shoulder. Thus, Kim notes, reform to eradicate official irregularities and corruption will contribute to revitalizing the economy.

Kim also refutes criticism that the current whirlwind of audit and inspection demonstrates no "rule of law" but "personal governance." While conceding that reform through law and system is naturally a desirable thing, he argues that however, under the present circumstances, reform by the leader's decision and political leadership is a demand of greater urgency. The implication is that President Kim Yong-sam's view of reform is based on his strong faith that we are to miss our chance and fail to make reform should we allow ourselves to be dragged into polemics over law and system and their improvement.

Kim asks, "Was it because we did not have the required law and system that we couldn't have reform in the past?" Then, warning that "saying we should wait until we have all the necessary laws and systems is tantamount to saying we should not make reform," he holds that "people who say so are those most afraid of reform." He thus brands them as antireform, a reference that is likely to stir some controversy.

It can be said that Minister Kim is preaching "priority to be attached to personal leadership" and its inevitability in ensuring the success of reform. He also stresses the "law-abiding aspect" of the current reform, noting that the campaign is, strictly speaking, a process of straightening out what have been abnormal and of correcting, in the light of the laws, all irregularities and corruption that were once connived at.

In the same context, Minister Kim then presents a "three-stage reform theory," hinting at what to be expected. The first stage, he explains, is for "normalizing things that have been abnormal," as seen in reforms currently under way. Among them are the measures to straighten out wrong practices (e.g., the new government opened to the public the road in front of Chongwadae),



rehabilitate people who were wrongfully persecuted (vindicated the honor of those involved in the 18 May [1980] Kwangju Democratization Movement), and to wipe out abused privileges and preferences (punished officials involved in cases of bribery and irregularity).

The second stage is for realizing self-regulation and ingenuity. It focuses on "changing attitude" as well as on "deregulating and ending interference so as to remove sources of irregularities and corruption" (through special legislation on economic deregulation.) In reference to the "change of attitude," Kim dwells on the need for "national grass-roots movements, movements for change of attitude." The proposition is noteworthy as it lays a theoretical basis backing up a DLP plan to form what is tentatively called "Committee to Promote the People's Change of Attitude." Also, it appears to have something to do with the future course of a "Council of Citizen Movements for Just Society" being formed by private groups on 27 May (preparatory committee chairman: Son Pong-ho, Seoul National University professor). Meanwhile, Prime Minister Hwang In-song instructed officials to study plans for government-level cooperation with such citizen movements.

Recent moves, which appear to be an effort toward launching a campaign for change in the people's attitude, can be viewed as a prelude to the second stage of reform—after the first stage devoted to the stormy asset disclosure and exposures of various irregularities.

The third and last stage of reform, Kim explains, is that of realizing social and economic justice—through enforcement of the mandatory use of real names in financial transactions, an extended application of the land-as-public-property concept, and amendments to the political laws. It could mean "reform through law and system" that was withheld in the first stage. At the same time, it could be seen as symbolizing long-term goals and ideals that are to be pursued through continued reforms.

#### \* Survey Details President's Support Base

932C0150A Seoul WOLGAN CHUNGANG in Korean  
Jun 93 pp 218-226

[By correspondents Yun Sok-chin and Kim Kyong-hui]

[Excerpts] The Kim Yong-sam [KYS] government's reform campaign, begun with the asset disclosure by the president himself, shows no sign of slowing down. One hundred days after his inauguration, the wind of reform continues to rage, relentlessly indeed.

To a question about the "intensity of reform" in a WOLGAN CHUNGANG survey, 13.5% of the polled answered that they think it is "too severe," while 48.1% found it as "relatively severe." This means that 61.6% of the public are personally feeling the impact of the campaign. Meanwhile, only 11.9% of the respondents viewed it either as "relatively weak" or "too weak," indicating that those dissatisfied with the pace of reform are in the minority.

More women than men were found seeing it as "too severe" or "relatively severe" (women 67.7%; men 53.7%), suggesting that women are feeling the effect more keenly than men. Consequently, less women than men—6.6% to 17.8%—were found viewing the reform campaign as "relatively weak" or "too weak." By age, of the people seeing it as "too severe," those in their twenties and thirties were close in percentage—12.6% and 11.8% respectively—but those in their fifties or older marked a relatively higher percentage—18.0%. It can be said that the feeling of resistance reflected in the "too severe" response is attributable to the fact that the reform is focused on people of these age-brackets, and that in addition, those generations characteristically are wary of change.

However, 67.4% of the respondents in their twenties said they think the velocity is "too severe" or "relatively severe." Also, 64.3% of those in their thirties, 55.0% of those in their forties, and 58.8% of those in their fifties or older came up with the same responses. Thus, over the intensity of reform, more people in their thirties or younger were found seeing it as severe than those in their forties or older do.

By level of education, of those who said that the reform is "too severe," 17.2% were junior high school graduates or lower, 15.1% high school graduates, 6.6% college students or higher, indicating that the higher the level, the lower goes the percentage, the trend being even more distinct with the college students or higher. Of those viewing it as "relatively weak" or "too weak," 8.7% were junior high school graduates or lower, 11.1% high school graduates, and 17.8% college students or higher, and in this case the trend just the opposite.

With regard to the question about the intensity of reform, unlike in other questions, those who gave no answer or said "I don't know" were extremely few—1.1%—indicating that nearly everyone seems to have his or her opinion on it one way or another. Meanwhile, 25.4% of the polled viewed the reform as "so-so," showing that about a quarter of the public apparently see it as "lukewarm" or think that it is premature to place full confidence in it.

The arrows of audit and inspection, riding the reform wind, are now hitting every part of society, setting off a shockwave reminiscent of nuclear fission. Some organizations have been hit so hard that they are shaken to the foundations. But the general public feels that diseased parts yet to be cut out are many and everywhere. The next question asked in the survey was: "Which department do you think should be targeted for further stepped-up audit and inspection?" In other words, it was asking "Which part do you think is most corrupt?"

The survey preselected fields that have been usually regard as most scandal-prone by the public, dividing them into 12 departments and asking the respondents to



pick two from the list. Consequently, the resultant per-item percentage is against the full 200%, including no-answer responses.

In this category, politicians led indisputably with 43.4% voting for them. As far as impropriety, corruption, and irregularities are concerned, people traditionally see politicians with greatest suspicion, and the findings this time again confirmed it. The percentages of people naming them to the first place showed little difference by sex, age, education level or region.

The second and third places went respectively to "tax officials" (27.2%) and "Education Ministry, school and other education officials" (24.6%), both known for incessant bribery and irregularity scandals. They were followed, with similar percentages, by "police officials" (17.3%), "public officials in general" (14.5%), "people of the legal profession such as judges and lawyers" (14.1%), "military officials including those of the National Defense Ministry, Army, Navy and Air Force" (13.6%), and "prosecutors and other prosecutory officials" (12.3%). In contrast, percentages of those citing "hospital and other medical service people" (8.6%), "banking officials" (7.6%) and "journalists" (4.7%) were unexpectedly low.

Women citing "Education Ministry, school, and other education officials" (31.6%) were conspicuously high in percentage—nearly double the number of men doing the same (17.4%). The finding seems to reflect the realities that in most families women are responsible for the education of children, and that consequently, it is usually women who keep in contact with teachers, professors, and other education officials.

Of those who picked "tax officials," more were in their forties (34.4%) than in other age brackets, with "college students or higher" leading with a markedly high 35.4% over "junior high school graduates or below" (22.4%) and "high school graduates" (25.7%). Also, large city residents recorded a relatively high 29.7%, compared with "medium and small-sized city" and "non-city" residents who were tied at 24.8%. Seoul and the Pusan-South Kyongsang region each registered a higher percentage than other regions with 32.0% and 34.7% respectively.

Meanwhile, 17.0% of the polled in their twenties and 15.1% of them in their fifties or older named "military officials" as the most corrupt, percentages relatively higher than those in their thirties (9.3%) and forties (12.5%) who did the same. Regions that marked high percentages were Taejon-South Chungchong (15.1%) and Seoul (15.8%), where military installations are concentrated.

Also, 21.5% of Taejon-South Chungchong residents and 20.7% of Seoul residents pointed to "police officials," marking relatively high percentages. By age, 19.7% of those in their twenties, 19.3% of those in their thirties, and 18.8% of those in their forties (18.8%) also picked

"police officials." Their percentages were similar. But people in their fifties marked a conspicuously high 10.7%.

The higher educated, the more of them picked "tax officials," "police officials," "banking officials," and "journalists." Of those citing "prosecutors and other prosecutorial officials," 9.6% were junior high school graduates or below, 11.6% high school graduates, and 16.7% college students or higher, showing marked differences between different levels education. In contrast, people pointing to "Education Ministry, school, and other education officials" showed an opposite trend—junior high school graduates or below 28.3%, high school graduates 24.4%, and college students or higher 20.8%.

To the question "How much do you support President Kim Yong-sam," 46.6% of the respondents said they "fully support him" and 35.1% said they "generally support him," bringing the support rate to 81.7%. On the other hand, those who "generally do not support him" (1.1%) and "do not support him at all" (1.3%) accounted, combined, for only 2.4%, a figure proving that President Kim enjoys an explosive approval rate incomparable to that given his predecessors.

The approval rate showed little difference between men (83.9%) and women (80.2%). People who "fully support him" increased steeply with the age—those in their twenties (26.8%), thirties (45.6%), and forties (61.2%). Of those in their fifties or higher, it was 62.2%, similar to the popularity among those in their forties. In this age group, not a single person said he or she "does not support him at all," while the number of persons who said they "generally support him" was only 10.

By level of education, President Kim's popularity goes lower as the level rises—junior high school graduates or below 53.2%; high school graduates 45.5%; college students or higher 41.3%. Those showing a passive response by saying they "generally support him" tend to increase as the age goes higher—junior high school graduates or below 25.4%; high school graduates 37.1%, college students or higher in their thirties 82.1%, those in their forties 86.5%, and in their fifties and higher 88.6%; by level of education, they also showed a similar trend—junior high school graduates or below (78.6%), high school graduates (82.6%), and college graduates or higher (84.1%).

However, speaking of those alone who "fully support him," the survey, demographically, showed even greater differences between social components. For example, 51.3% of men said they "fully support him" against women's 42.4%, the difference being nearly 10%. By age, of those in their twenties, 43.8% said they "fully support him," a finding opposite to the overall age-based trend. Those who answered "so-so" showed somewhat high percentages in the 20-29 age-bracket (17.3%) and in the Kwangju-Cholla region (20.0%).

Meanwhile, the survey found that President Kim's popularity has been on the steady rise since February. A pre-inauguration poll on 3 February put the support rate



at 44.2%, which rose to 68.8% on 26 February immediately after the inauguration, to 73.8% a month after the inauguration, and to 81.7% in the survey this time, painting a steep upward curve.

Especially, people expressing positive support by saying they "fully support him" were only 14.1% in the 3 February poll, which kept rising, up to 46.6% in the latest survey. Of the four polls taken this year, the latest survey showed the highest rate; furthermore, it showed for the first time those who "fully support him" (46.6%) as outnumbering those who "generally support him" (35.1%)—by more than 10%.

Proportionately, those showing a wait-and-see attitude by picking the "so-so" as their answer decreased rapidly from 39.6% on 3 February to 18.8% on 26 February, to 16.5% on 24 March, and to 11.1% in the latest survey. Those saying they "generally do not support him" (1.1%) and "do not support him at all" (1.3%) numbered only 24 of the total 1,000 persons interviewed, a negligible number.

The survey also asked the question "Of the successive First Ladies, whom do you like best?" in an effort to determine what is an ideal image of a First Lady for the people and to know how our people view the present First Lady, Son Myong-sun, who remains a faithful, behind-the-scenes assistant to the president while mostly staying away from official functions. [passage omitted]

More than a month ago, Seoul National University Prof. Kim Kwang-ung created a stir by proposing, at a seminar of Democratic Liberal Party [DLP] legislators, that the present presidential term, which is a single five-year term, should be changed to two four-year terms. The proposal drew extraordinary attention as it came at a time when President Kim's popularity was skyrocketing following his inauguration and even prompted talks of "Generalissimo Kim Yong-sam" in some quarters. Such being the circumstances, the proposal even gave rise to the suspicion that perhaps it could have been a sounding balloon floated deliberately in a sort of rapport with the DLP leadership.

In the survey, 42.1% responded negatively to the question concerning that suspicion, and 32.8% positively. And 24.7% said they "don't know," showing that it is no longer a matter of public concern. This response was 24.8% in Kwangju-Cholla and 29.6% in Taegu-North Kyongsang, which were lower than in other regions. [Sentence as printed] Taejon-South Chungchong was the only region where the positive response (36.7%) surpassed the negative (30.6%). Meanwhile, 32.7% of women said they "don't know," a percentage nearly twice that of men (16.6%). The percentage of "don't know" was found lower in proportion to level of education—junior high graduates or below 34.7%, high school graduates 23.3%, college students or higher 25.4%; otherwise, no differences were found, demographically.

The survey found 48.0% of the polled supporting the DLP, and only 18% the Democratic Party [DP], demonstrating the impact of the reform policy being pursued by the government and the ruling party. The United People's Party [UPP] and the New Korea Party were found totally splintered with 1.0% and 0.6% respectively. The UPP had been significantly popular among college students and higher-educated people and in the Taegu-North Kyongsang region before the presidential election; the survey this time, however, found not a single person of these sectors supporting the UPP. The Sinjong Party, with one seat in the National Assembly, scored better with 4.1% thanks to Chairman Pak Chan-chong's popularity.

Relatively high percentages of those in their twenties and of college students and higher, 7.1% and 7.9% respectively, expressed support for the Sinjong Party. With the DP, the support rate was found higher among the younger people (those in their twenties 23.3%, thirties 20.8%, forties 13.1%, and fifties and higher 11.9%). By level of education, the rates were: high school graduates 22.4%, junior high school graduates or below 15.5%, but college students or higher 13.7%.

In the DLP's case, the popularity rate rose with the age—those in their twenties 33.0%, thirties, 48.8%, forties 55.4%, and fifties and higher 62.3%. The rate was also found higher among the less educated people—junior high school graduates or below 57.2%, high school graduates 45.2%, and college students or higher 44.0%. Meanwhile, 27.2% said they "have no party to support," showing that not all of those supporting President Kim Yong-sam (81.7%) are on the DLP's side.

A look at the shifting of support for each party indicates that the DLP's popularity rate—which had been only 22.0% immediately before the presidential election (15 December 1992)—rose to 45% at the time of the new government's inauguration. It has since maintained a level higher than 40%, reaching 48.0% this time, a record high. In contrast, the DP was found stagnant at a 20% level, showing little change.

Those saying they "have no party to support" dropped from 44.7% prior to the presidential election to 27.2% in the latest survey, the difference corresponding to the gain in the DLP support rate.

In the regional support for parties, the survey found no particular changes from the trends prior to the 1992 presidential election. The DLP drew greatest support in Pusan-South Kyongsang (64.3%) and Taegu-North Kyongsang (64.0%)—and lowest in Kwangju-Cholla with 23.0%, which nonetheless marked an amazing gain from what it had been before the election. The DP's popularity was highest in Kwangju-Cholla with 42.1% and lowest in Pusan-South Kyongsang (8.8%) and Taegu-North Kyongsang (8.8%).

These findings about parties were found totally unrelated to the popularity of President Kim Yong-sam himself as mentioned earlier, which marked 69.6% or



nearly 70% even in the Kwangju-Cholla region. The support rate for the president was highest in Pusan-South Kyongsang with 87.1%, 57.1% of which saying they "fully support him." in the survey, not a single person in this region said he or she "does not generally support him" or "does not support him at all."

In the support rate for President Kim, Pusan-South Kyongsang was followed by Seoul (85.7%), Taegu-North Kyongsang (85.4%), Kyonggi-Inchon (83.5%) in this order, all marking over 80%. The rates were relatively lower in the Taejon-South Chungchong and Kangwon-Cheju regions respectively with 76.7% and 76.1%, which nevertheless represented high percentages.

These rates present an interesting comparison with the findings over the "intensity of reform." Kangwon-Cheju and Taejon-Chungchong, where the support rates for the president were relatively low, were the regions where high percentages of the respondents—respectively 23.9% and 21.4%—viewed the reform as "too severe."

In the percentage of those viewing the reform as "relatively weak" or "too weak," the survey found Seoul as being the second highest with 15.9%. On the other hand, those in Seoul viewing it as "too severe" or "relatively severe" were 58.6%, a rate considerably lower than in Pusan-South Kyongsang (66.1%) and Inchon-Kyonggi (66.0%).

All this shows that President Kim Yong-sam's reform policy is being received favorably, with enthusiastic applause, by a large majority of our people. Of the intensity of reform, too, the survey found the public generally approving of it. At the same time, the public was found citing "politicians" and "tax officials" and "Education Ministry, school, and other education officials" as the top three on whom further reforms should be targeted.

Also noteworthy was the fact that the respondents in the survey were found having their clear-cut views and cool-headed, rational judgement about personalities and parties they support.

#### **Purpose of the Survey, Method Used:**

This survey, as one of those conducted by WOLGAN CHUNGANG once every three months to examine political sentiments and public opinion of our people, was the second for 1993.

It was done by the opinion poll team of the CHUNGANG ILBO data bank bureau (team chairman: reporter Kim Kyong-hui).

Population used for the survey comprised male and female adults of age 20 or higher across the country, including Cheju Province; the total number of samples was 1,000 persons.

The survey was conducted by telephone interview. For sampling, 1,000 families were first selected from names listed in the telephone directories across the country

(from the combined lists of names and professions in some regions) in a systematic manner (at regular intervals), on the basis of the proportions of the 20-year-olds and the older in the population of large cities, medium and small-sized cities, and non-cities; then, one person was selected from each family, seeing that men and women were equal in number. All the 1,000 persons responded to the poll.

Since the survey was confined to families with telephone, the findings could be leaning more or less to the opinion of the middle and upper classes.

The survey was conducted on one day, 3 May.

Dependability is 95%, the margin of error being plus or minus 3.1 percentage points.

#### **Composition of the Respondents**

1. Sex: male 492; female 508.
2. Age: 20's, 295; 30's, 285; 40's, 172; 50's or over, 248.
3. Education: junior high school graduates or below, 302; high school graduates, 456; college students or graduates, 242.
4. Urbanization: large city residents, 483; medium and small city residents, 261; non-city residents, 256.
5. Place of residence: Inchon and Kyonggi Province, 194; Seoul, 247; Pusan and South Kyongsang Province, 173; Taegu and North Kyongsang Province, 116; Kwangju and South Cholla Province, 125; Taejon and Chungchong Provinces, 99; others (Kangwon and Cheju Provinces), 46.

#### **\* Former Student Activists Join Government**

932C0151A Seoul CHUGAN CHOSON in Korean 10  
June 1993 pp 18-19

[Article by correspondent Shin Chong-rok]

[Excerpts] Lee Song-hoo

Born: 1958; entered the Physical Education Department of Yonsei University in 1980, after being discharged from the military; president of Yonsei University's Student National Defense Corps [Haikdo Hogukdan] (formerly General Student Conference) from the second semester of 1983 to the first semester of 1984; indicted but not detained in connection with the December 1984 occupation and sit-in demonstration of the Democratic Justice Party's party headquarters.

#### **Kim Yong-chun**

Born: 1961; entered the English Literature Department of Koryo University in 1981; 1984, president of Koryo University's General Student Conference; detained on suspicion of being a behind-the-scenes instigator of the



December 1984 sit-in demonstration of the Democratic Justice Party's party headquarters; released on probation after six months.

#### **Kim Yong-chul**

Born: 1963; entered the Sociology Department of Seoul National University in 1982; president of Seoul National University's General Student Conference for two semesters in 1985; detained because of problems with a campaign speech he gave at the time of the General Student Conference presidential elections; released on probation after six months; long term engagement in the labor movement since then.

These are people whose names were commonly heard in connection with the student movement during the mid 1980's. What are they doing now? If the present were like the past, chances are nine-out-of-ten that they would be involved in the student movement or working in an opposition organization.

However, they now work in the Blue House. Lee Song-han is working as the director of the First Public Information Section of the Political Affairs Office (in charge of newspapers); Kim Yong-chun, as the director of the Second Public Information Section of the Political Affairs Office (in charge of news broadcasts); and Kim Yong-chul, as aide to Lee Kyong-jae, head of the Public Information Office. The former General Student Conference presidents of Seoul National University, Yonsei University, and Koryo University are now changing their places to the reformation's vanguard.

Their job in the Blue House is, through the media, to understand the trend of public opinion and to set up measures to deal with it. They analyze the contents of daily newspapers (Lee Song-han) and news broadcasts (Kim Yong-chun), report to the president and chief press secretary, and from there, carry out the resulting media policy through the Public Information Office (Kim Yong-chul). They are, so to speak, the ears and mouth of the Blue House.

The process which lead each of them into the Blue House was similar. As "Sangdo-Dong Men," they each formed relationships with the president. They were recognized for their skill and chosen after their contributions in the presidential elections. Another point they have in common is that they each came to take part in the Sangdo-Dong camp through Political Affairs Minister Kim Tok-ryong.

Lee Song-han entered Sangdo-Dong immediately after the 12 February 1985 general election as the then new Korean Democratic Party Chairman Kim Yong-sam's secretary-in-charge of opposition affairs. Around 1990, he worked on the Sangdo-Dong Media Policy team, and, after the three-party merger, he even worked as the assistant director of Democratic Liberal Party Executive Chairman Kim Yong-sam's office. During the past elections, he took over as director of a private organization, the Central Youth Federation [Chungang Chongnyon

Yonhap] to play the role of mobilizing the younger generation. At present, he is still leading the Sangdo-Dong camp's Editorial Media Response Team. He is known for taking charge of the Central Youth Federation and following [Kim Yong-sam] around to every special election district. He is also one of the "influential," who regularly meet with the president, one-on-one, for an hour every week. He is known to handle not only his media-related job, but to frequently get involved in all areas and to freely converse with the president.

Kim Yong-chun is one of the three personalities, together with the then Seoul National University General Student Conference President Lee Chong-u (who passed three civil service examinations: Judicial, Administration, and Foreign Affairs) and Yonsei University General Student Conference President Song Yong-gil, who in 1984 were called the "triumvirate" of the student movement. As soon as he graduated, he joined the Sangdo-Dong camp as the personal secretary of the then Association for the Promotion of Democracy [Minchuh-yop] Cochairman Kim Yong-sam. After defeat in the 1987 presidential election, he fell into despair for a time and returned to school. He even graduated from graduate school in the Department of Politics and Diplomacy.

After graduate school, he again went into the Sangdo-Dong camp, opened his own office, and began the work of flank support to make Kim Yong-sam president. In June of 1992, he took on responsibility for organizing the headquarters of the private organization, Nara Sarang [Love Our Country—patriotism], playing the role of mid-level control beneath headquarters chief, So Sok-jae.

Kim Yong-chul was elected president of the General Student Conference in a special election when 1985 General Student Conference President Kim Min-sok (presently Democratic Party's Yongdung-Po chapter chairman) was detained on suspicion of behind-the-scenes instigation of the DJP [Democratic Justice Party] headquarters sit-in demonstration. Because he [Kim Yong-chul] was arrested in the course of campaigning for student body president, he actually spent not even one day in office. He also spent a long time in the labor movement after getting out of jail. His entrance into Sangdo-Dong began with his taking on responsibilities at the Korean Social Problems Research Center (directed by Han Wan-sang). Kim came to work there through the introductions of Deputy Prime Minister Han and Minister of State for Political Affairs Kim Tok-yong. Both Deputy Prime Minister Han and Minister Kim are either [his] respected teacher or [his] senior from Seoul National University's Sociology Department. This organization was gathering of influential people lead by Han Wan-sang: Pak Kwan-yong, Kim Tok-ryong, Choi Hyong-u, Cha Tong-se, Lee Myong-hyon, Kim Chong-nam, and Lee Kyong-jae. It acted as a control for all private organizations during the elections. It is said that he [Kim Yong-chul] generally did a great deal of manuscript writing there. Much of the writing that went



out in other people's names was his work: the CHOSUN ILBO presidential election series "Focus" [Chotjom], etc.

The mid 1980's, when these three men were General Student Conference presidents, was a period in which the quality of the student movement began to change as it began to absorb leftist ideology on a large scale. It can be said that they were General Student Conference presidents during a transition period in which the student movement was moving from a progressive nationalist stage to a socialist one.

However, this does not mean that they were socialists or have socialist traces left in them. It is very clear that they have changed through the years. Even so, the fact that they are working in none other than the Blue House, the center of power, really makes one feel how much things have changed.

They say that the time of their most fundamental agony over their choices was the time of the three-party merger. They say that after the three-party merger, as they became part of the Democratic Liberal Party, things got so bad that even their relationships with their friends were severed. However, they are now certain that the

choices they made were the right ones. They say that, more than anything else, it was out of human trust in the president that they were able to sit out the hardships in Sangdo-Dong, even amidst much strife other than that mentioned above.

"For a time, I even fell into Marxism-Leninism, but, I felt its limitations in the concreteness of politics. Lately, I deeply feel how important a good government is, a quality government that can make tangible improvements in the lives of the people."

As always, they avoid interviews and demand anonymity. They say that there is nothing special about having been presidents of their respective General Student Conferences and that, as low-ranking government officials, they are afraid that they might cause trouble for the president....

"We came into the Blue House to assist the president, but since the president does everything so well, there's not much to do. Not even we could predict that the president would be this aggressive in his reforms. We really want to see his reforms succeed. Individual advancement comes after that."



**Brunei, Malaysia & Singapore****Malaysia****1,500 Soldiers To Serve UNPROFOR in Bosnia**

*BK1407144093 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 14 Jul 93*

[Excerpt] The cabinet has directed the Defense Ministry to prepare 1,500 soldiers to join the United Nations Protection Force, UNPROFOR, in Bosnia-Herzegovina. The minister, Datuk Sri Najib Tun Razak, says highly trained mechanized units have been identified for the task. They will undergo further training. The training will depend on diplomatic efforts currently being undertaken by Muslim countries. Datuk Sri Najib told a news conference this at his office.

At a special meeting of the Organization of Islamic Conference [OIC] foreign ministers which ended in Islamabad yesterday, Malaysia pledged to send 1,500 soldiers to join UNPROFOR. OIC countries pledged to send altogether 20,000 troops [words indistinct] of the 7,600 requested by the UN secretary general, Butrus-Butrus Ghali, for UNPROFOR services. [passage omitted]

**Minister Criticizes Developed Nations Over Refugees**

*BK1007135893 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 10 Jul 93*

[Text] Deputy Prime Minister Mr. Ghafar Baba has criticized developed nations for not seriously overcoming the refugee issue in the country. Malaysia is being forced to allow them to settle in the country. Efforts to send refugees to third countries are proceeding very slowly due to the attitude of these developed nations. The government cannot send back refugees to their countries of origin because this is against the international law. Only illegal immigrants can be sent back to their countries of origin. There has been no compromise over this matter. At present, there are still some 11,000 refugees in Malaysia. Mr. Ghafar says between 50 and 60 refugees are sent back to their countries of origin every month under the UNHCR program. Between 20 and 30 others are sent to the United States monthly.

The deputy prime minister also says the government is trying to get skilled workers from among the refugees, but there were none. An employer who is short of skilled workers can submit a request to the Ministry of Human Resources to employ skilled refugees. The government will give an approval if it is satisfied that the employer is really short of skilled workers.

**Russian Official Offers Business Ventures**

*BK1407151193 Kuala Lumpur NEW STRAITS TIMES in English 13 Jul 93 p 12*

[Text] Russia has invited Malaysian businessmen to invest in its property development, transport, hotel, and consumer goods sectors.

Its deputy minister of foreign economic relations, Mr. Yuriy A. Petrov, said the projects could either be carried out jointly or be wholly-owned by Malaysians.

Malaysian companies can also open branch offices in Russia if they want to.

"However, it would be helpful for Malaysians if the projects were carried out jointly with Russians," he said in Kuala Lumpur yesterday after a dialogue with Federation of Malaysian Manufacturers (FMM) members.

Petrov and his 15-member delegation are here on a four-day, fact-finding visit to explore trade possibilities.

The deputy minister said Russia was hoping to build up its economy and was willing to learn from Malaysia's success in this area.

"We are impressed by Malaysia's good economic development. We also need many goods which are not produced in Russia."

Petrov also said that Russia's mandatory certification requirement for all import items from July 1 this year was to protect its consumers.

"Several products, including consumer goods will be subject to mandatory certification of their safety under our consumer protection law.

"Our representatives will be briefing Malaysian businessmen on July 23 in Kuala Lumpur so that they will be better informed of this new requirement," he said.

**'No Objection' to Khmer Rouge Role in Coalition**

*BK1007094093 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Jul 93*

[Text] A tripartite meeting involving representatives of Malaysia, Thailand, and Indonesia will be held in Langkawi soon to work out details of the proposed northern growth triangle. Foreign Minister Datuk Abdullah Haji Ahmad Badawi says the meeting will identify specific proposals and the areas involved in the project. He said this in a statement issued in Bangkok during the eighth Malaysia-Thailand Joint Commission meeting. The text of the statement was released by the Foreign Ministry in Kuala Lumpur. The proposed project covers three Northern Malaysian states of Penang, Kedah, and Perlis as well as North Sumatera and South Thailand.

Regarding the situation in Cambodia, Datuk Abdullah said Malaysia has no objection to the inclusion of the



Khmer Rouge in the formation of its interim government provided other parties there are willing to accept the radical faction. He said any effort to form a coalition should be welcomed for national reconciliation and the reconstruction of Cambodia. He also urged Malaysian investors to consider Cambodia as a good, potential country for business and investment.

#### **Government Accepts GSP Privileges Not Permanent**

*BK0707071493 Kuala Lumpur BERNAMA in English  
0310 GMT 7 Jul 93*

[Text] Kuala Lumpur, July 7 (OANA-BERNAMA)—Malaysia accepts that the Generalised System of Preferences (GSP) privileges are not permanent, says Minister of International Trade and Industry Rafidah Aziz. Rafidah Said Malaysia could accept the withdrawal of the GSP privileges based on specific criteria such as the competitive need limits (CNL) and the market share percentage.

The United States gives GSP privileges if the value of a certain product it imports from a particular country does not breach a certain limit (CL) or a certain percentage of the market.

However, Rafidah said Malaysia would fight the withdrawal of such privileges based on other issues being tagged on such as workers' and human rights. She gave the example of Australia recently withdrawing the GSP privileges on certain products from all countries except for the Pacific islands.

That is acceptable as we are at a much higher development level than the Pacific islands, she added. We accept that the GSP privileges are an interim measure.

#### **Daily Views Implications of High Economic Growth**

*BK1407030593 Kuala Lumpur UTUSAN MALAYSIA  
in Malay 18 Jun 93 p 8*

[Editorial: "The implications of the country's high economic growth"]

[Text] Many people are relieved to learn about the Central Bank's mid-year report which says that the country's economic growth rate stands at 8.1 percent while the inflation rate stands at 4.4 percent. The report has obviously dismissed negative assumptions that the country's economy is slowing down due to "overheating," the signs of which have been detected for many years.

The government's pragmatic planning—by maintaining a high economic growth rate, boosting domestic and overseas investments, curbing the inflation rate, and promoting savings and thrift among people—has finally borne fruit.

According to the Central Bank report, the inflation rate is lower than in the corresponding period last year, while the overall economic growth rate was stabilized at 7.1 percent in the second half of 1992 and 8.9 percent in the first half of 1992.

However, this good news will probably cause a "head-ache" to the National Electricity Agency because it has to work harder to ensure that it can solve the nationwide power supply problems. Besides, the good news will be useless if the country continues to suffer power failures. The government's efforts to turn Kuala Lumpur into the Asia-Pacific media center will face difficulties due to the poor infrastructure facilities.

High economic growth also means that the country will need more skilled and semi-skilled workers in addition to unskilled. The government's decision to lift its ban on employing foreign skilled and semi-skilled workers (doctors, nurses, and lecturers) will indeed meet the short-term demands for these people. However, efforts must also be made to produce more domestically skilled and semi-skilled workers while ensuring that the existing professionals do not feel they are being ignored or neglected.

The good news also means that the country needs more experts in charge of research and development, especially scientists and engineers. The Ministry of Science, Technology, and Environment's move to hold workshops on how to attract foreign scientists to work in this country is praiseworthy.

Unlike other countries, Malaysia can offer more benefits to foreign investors in terms of political stability and high economic growth. In its bid to become an industrialized country, Malaysia can also offer more interesting options.

Our country's success to achieve an 8.1 percent economic growth rate while curbing inflation rate at 4.4 percent obviously does not mean that we can rest on our laurels. We must instead work harder to achieve more success.

#### **Immigrants in Australia Seek Business Ventures**

*BK1407152393 Kuala Lumpur NEW STRAITS TIMES  
in English 13 Jul 93 p 12*

[By Kula Shunmugam]

[Text] The Australian Malaysia-Singapore Association (AMSA), a representative body for Malaysian and Singaporean migrants in Australia, is planning to mobilise about A [Australian] \$7 billion (RM [Malaysian ringgit] 12.2 billion) for viable business ventures in Malaysia, Singapore, and Vietnam.

The figure is based on the estimated amount of bank deposits of 100,000 Malaysian and Singaporean migrants in Australia.



"That is the amount sloshing around in the banks. What we need to do is to organise ourselves and invest the money in profitable businesses," AMSA President Patrick Keith said.

He added that the migrant population from the two countries had so far invested about A \$3 billion to A \$4 billion (RM 5.25 billion to RM 7 billion) in residential property.

On the nature of investments, he said AMSA would assess the situation and provide feedback to current and future members.

"We will be meeting with officials from the Malaysian Industrial Development Authority. If we feel secure, then investments are bound to follow," he told the NEW STRAITS TIMES in Kuala Lumpur yesterday.

Besides the huge financial resources, the association also aims to pool the available human resources among its migrant population.

Keith said more than half the group comprised professionals and academicians who were the most qualified on a per capita basis.

AMSA was also planning to serve as a channel for Australian businesses to better understand the trade opportunities available in the Asian region.

"We, through AMSA, will reinforce the fact that Australia has to look to her Asian neighbours for economic growth. And who better than us who are familiar with the social, cultural, religious, and political background."

The National Australian Bank and Linfox, the country's biggest transport company, are affiliated with the association.

Apart from establishing an economic channel for Australian businesses, the association would also attempt to seek representation for the migrant community in the political arena.

Initiated in Victoria last March, AMSA's objectives include nurturing the community's culture, raising its profile, and marshalling its economic resources.

The association expects to have 2,000 members by 1994.

### **Sabah Opposition Politician Joins UMNO**

*BK1407150093 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 14 Jul 93*

[Text] The deputy president of Angkatan Keadilan Rakyat [People's Justice Front], AKAR, has joined UMNO [United Malays National Organization]. UMNO Deputy President Encik [Mr.] Ghafar Baba welcomed Ignatius Stephen Malanjun and hoped his move would strengthen UMNO and Barisan Nasional [National Front], BN, in Sabah. He said he had informed AKAR President Datuk Mark Koding of Malanjun's move and he had no objection. Encik Ghafar, who is

Sabah UMNO chief, told a news conference this in Kota Kinabalu at the end of a three-day visit.

AKAR is one of the four Barisan Nasional parties in Sabah. The others are UMNO, the Liberal Democratic Party, LDP, and MCA [Malaysian Chinese Association]. Encik Malanjun, aged 47, who was present at the news conference, said he decided to join UMNO because he realized only that party could bring progress to the state.

## **Singapore**

### **Editorial Views Outcome of Tokyo G-7 Summit**

*BK1407130793 Singapore BUSINESS TIMES in English 13 Jul 93 p 26*

[Editorial: "In the afterglow of the G-7 summit"]

[Text] It was a week of diplomatic niceties in Tokyo. The G-7 leaders did everything to present a united front last week. The final communique on economic matters was opaque enough for every leader to go home happy. Indeed, vague declarations are the norm at G-7 meetings. The difference this time was that it came in the wake of what was initially described as a breakthrough in the quadrilateral talks involving the US, Japan, the EC and Canada on a market access package to reduce tariffs on industrial goods and open markets in services. But, as the glow of the summit wears off, the coincidence in timing only serves to arouse suspicions that it was orchestrated for maximum impact. That market access accord is dependent on successful negotiations on the Uruguay Round, which, in turn, is dependent on the commitment to better market access. How GATT negotiations in Geneva go from now on will determine how real that breakthrough was.

Everyone in Tokyo was agreed that the lack of jobs was the most significant problem facing the G-7 nations. The summiteers agreed to send their finance ministers to a meeting in the United States later this year to explore the causes of excessive unemployment and to search for possible answers to this critical problem. They were well-advised to be worried about reducing rising unemployment, which has left 23 million people jobless in Britain, Canada, France, Germany, Italy and the United States. That problem has been the cause of rising social tension and growing public cynicism about politicians in the West. The real question is what that US meeting can do that the one in Tokyo could not. The old economic equations no longer seem to work. The best minds in the West have been trying to work out a solution to deep-rooted unemployment for years. Now there may be a deadline for answers. The danger is that the G-7 might settle for solutions that might hurt everyone else. The G-7 grouping represents the interests of the world's richest—and the most powerful—nations.

If there are any doubts on this score, consider Japan's call for a reference in the final economic declaration about the need to help developing countries cope with



the sharp decline in commodity prices. The Japanese initiative would have revived the concept of commodity price stabilisation, introduced with the setting up of a common fund for commodities under the UN Conference on Trade and Development in the 1970s. Such a move was one of the initiatives sought by Indonesian President Suharto in pre-summit talks with Mr Kiichi Miyazawa. But this time the concept was opposed by the United States, Britain and Germany. Against this, the final Tokyo communique spoke of the creation of a US\$500 million privatisation and restructuring programme to help Russia along the road to a market economy. The eventual sum being talked about is US\$3 billion. Of course, there are questions about where that money is coming from, apart from the US\$125 million from the US, Japan's US\$120 million, the UK's US\$75 million and Germany's US\$75 million. But the fact remains that Mr Yeltsin, representing Russia, got much better treatment from the G-7 than did Mr Suharto, representing the 108 members of the Non-Aligned Movement.

#### **Editorial Views Continuing Dispute Over Spratlys**

*BK1407135593 Singapore BUSINESS TIMES in English 14 Jul 93 p 24*

[Editorial: "Spratlys: More diplomacy needed"]

[Text] The Spratly Islands, unfortunately, show no signs of going away. The latest cat among the Spratly pigeons is the revelation in an official publication in Beijing that China plans to build a military base on the Paracel Islands, with the objective of exercising decisive control over the Spratlys. Reports from Beijing on China's military plans seesaw remarkably between conciliatory assurances and dramatic revelations of the Paracels base sort. Two things are obvious here: the fact that China will, whether the world likes it or not modernise and build up its armed forces in step with its economic growth; and that there are signs of communication gaps between China and the rest of the region. The question that must be asked here is, how well is China understood? In this respect, Malaysian Defence Minister Najib Tun Razak's call this week for more engagement of China in regional dialogues, especially those concerning security, deserves special attention. The minister also remarked that China would not necessarily be a troublemaker, which is another valid point.

Conciliatory statesmanship aside, the Spratlys issue cannot be left fallow to be exploited by those out to reap political capital. There have been attempts to find a solution through regular, low-key exchanges but that these have so far not made much progress is underlined by the latest news from Beijing. It was unlikely that the Chinese revelation of its Spratly plans would go unanswered by the other claimants. And predictably, Taiwan said yesterday it will consider building an air base of its own on one of the islands in the disputed archipelago. To be sure, domestic political considerations will require that the Taiwanese salvo be followed by more noises

from the other claimant countries—Vietnam, the Philippines, Malaysia, Brunei—in a show of own self-assertion. The observer unattuned to these nuances might well see a region hotting up for a confrontation. The reality, however, is that the Spratlys are a long way from being a flashpoint. The preoccupation in this part of the world is ensuring that booming economies—the envy of the rest of the world—stay on the fast track rather than get derailed by hostile engagements.

But inconsequential pushes and shoves can, nonetheless, get out of hand. The need, therefore, is for confidence-building measures. Chinese leaders have repeatedly said that they would like to resolve the Spratlys dispute through peaceful negotiations, and there is no reason to doubt that a peaceful, practical solution can indeed be worked out. But it is perhaps time to crank up the diplomacy on the Spratlys a notch, to ensure that real progress is made. ASEAN and East Asia do not need a local conflict to spoil the region's now considerable record of peaceful coexistence, a record that has made the kind of economic development we have enjoyed possible. Above all, it should be clear that it is not worth any country's while to rock the boat by taking the hard option on the Spratly Islands. There is too much at stake, economically, to do so. Far better that the claimants find a new commitment to turn the periodic proposals for joint development of the Spratlys into reality.

#### **Trade Officer Assigned to Thailand**

*BK1407131793 Singapore BUSINESS TIMES in English 14 Jul 93 p 2*

[Text] A trade officer from Singapore will be posted here as bilateral economic relations between Thailand and Singapore take on a higher profile. BT [BUSINESS TIMES] understands that the Singapore Trade Development Board has agreed in principle to fill such a post once a suitable person is available. The Bangkok office will be the 25th in the Trade Development Board's (TDB) overseas network.

The trade officer, whose main brief is to further promote growing trade, will probably function from the premises of the Singapore Embassy on Sathon Road. Trade enquiries at the moment are handled by the embassy which does not have enough staff to deal with them. The appointment of a trade officer comes at a time when the scope of bilateral economic cooperation is widening.

When Thai Prime Minister Chuan Likphai met his Singapore counterpart in March, they discussed the possibility of joint private sector investments in third countries such as Indochina and China. Singapore businessmen and professionals based here are meanwhile planning to establish a Singapore-Thai chamber of commerce to foster closer relations.

Thailand's Board of Investment, the equivalent of Singapore's Economic Development Board, has a seminar



in the Republic today to attract investments from Singapore industrialists. It is placing great emphasis on investment from the electronics and supporting industries.

Coming from Singapore shortly is a TDB-organised mission to check out more trade opportunities.

The value of bilateral trade has been growing in recent years. Total trade between Singapore and Thailand increased from \$4.7 billion in 1987 to \$10.8 billion last year. Thailand has also become an important market for Singapore products. Last year, it was the sixth largest market for Singapore's non-oil domestic exports, taking up a share of 4.6 per cent, up from 3.9 per cent in 1991. On a year-on-year basis non-oil domestic exports to Thailand jumped by 25.4 per cent to \$2.4 billion last year, the best showing among Singapore's major markets.

Thailand's banking and finance sectors are enjoying a busy spell these days. Its companies and financial institutions have been active in tapping Singapore's offshore market for cheaper funds to finance their business.

Two of the leading Thai banks, Krung Thai and Thai Farmers, were reported in the BANGKOK POST yesterday as being keen to open branches in Singapore.

The Monetary Authority of Singapore had earlier this year agreed to grant two offshore banking licences to Thai banks under a reciprocal arrangement. On the other hand, Singapore's main banking groups have either been granted or are applying for offshore banking licences from Thailand's central bank. Tat Lee Bank and businessman Ong Beng Seng also have interests in Thai stockbroking firms. Thai stocks are among the top non-Singapore/Malaysia equities traded in Singapore.

## Cambodia

### Prince Sihanouk Leaves for North Korea 15 Jul

*BK1507060693 Hong Kong AFP in English 0546 GMT 15 Jul 93*

[Text] Phnom Penh, July 15 (AFP)—Cambodian head of state Prince Norodom Sihanouk accompanied by his wife Princess Monique left here Thursday for North Korea.

The prince's departure came at a crucial stage in the country's process of national reconciliation. Khmer Rouge nominal leader Khieu Samphan, on a brief visit to the capital Tuesday, offered to open up the radical faction's zones in return for a role in the country's coalition government and united armed forces. But the prince had announced his departure last month saying his wife's astrologers had indicated that August would be an inauspicious month for him to remain in the country.

A North Korean jet flew into the capital to take the royal couple to Pyongyang where the prince will stay before leaving for Beijing.

The co-presidents of the government, Hun Sen and Prince Norodom Ranariddh, members of the government and Army, Khmer Rouge officials and the diplomatic core were all present for the prince's farewell ceremony.

Prince Sihanouk was expected back here late September to hold talks with the government and the Khmer Rouge.

The prince announced Wednesday that Khieu Samphan had agreed to discuss the Khmer Rouge's offer and the faction's future role in the national community. But speaking to reporters at the airport, Prince Ranariddh said the Khmer Rouge's proposal for a "quadripartite Army" was unacceptable and there could only be one united Cambodian army.

Fellow co-President Hun Sen expressed the same view Wednesday.

### UN Peacekeepers Fear Return of Ethnic Violence

*BK1407120093 Hong Kong AFP in English 0920 GMT 14 Jul 93*

[Text] Phnom Penh, July 14 (AFP)—United Nations peacekeepers in Cambodia fear a resurgence of violence directed at the country's ethnic Vietnamese settlers after a period of relative calm, the U.N. spokesman said Wednesday.

"Over the the past week we have received a series of unconfirmed reports suggesting that there is an increase in attacks against ethnic Vietnamese," spokesman Eric Falt said.

A number of Vietnamese fishermen and their families have been reported missing since the beginning of last week in the Boribo district of Kompong Chhnang province about 100 kilometers (60 miles) north of the capital.

"These disappearances pertain to several incidents and could include from three to more than a dozen people," Falt said. Some of the missing were reportedly being held captive while others were believed to have been killed, he said.

Kompong Chhnang was the scene of a number of recent massacres of Vietnamese settlers.

A group of 16 people were killed and 12 wounded in a suspected Khmer Rouge attack in December and another eight were killed in a March 24 attack, also believed to have been carried out by the Khmer Rouge. The March massacre took place in the Boribo district which is at the mouth of the Tonle Sap, Cambodia's great lake.

These attacks, along with others further north along the lake, prompted a mass exodus during March and May of



around 25,000 ethnic Vietnamese back to Vietnam. Some 2,500 have returned since U.N.-organised national polls in May.

"Most (of the returnees) appeared to have stayed at the mouth of the lake precisely where these reports are coming from," Falt said.

According to a U.N. internal report, the Khmer Rouge have reportedly moved men into the area following the Vietnamese settlers' return. The internal report also claimed that Khmer Rouge commanders had made numerous threats against "Cambodians of ethnic Vietnamese origin in Kompong Chhnang" and that detentions and executions were becoming regular.

Falt said the peacekeepers feared the incidents in Boribo district could indicate a resurgence of ethnic hostility following a period of relative calm.

"We are concerned because it is happening in one area and it definitely includes several cases and a yet undetermined number of people," Falt said.

The U.N. was having difficulty investigating the disappearances and suspected murders as the incidents took place on the water or in isolated areas. In addition, any possible witnesses were reluctant to talk to the U.N. investigators.

"Threats are being made against them. The fishermen on the Tonle Sap are being clearly intimidated," he said.

No bodies have yet been recovered.

"In some cases the families seem to be even afraid to go to the scenes because they fear being attacked themselves. They can't even try to recover the bodies," Falt said.

The U.N. internal report said there was little evidence of government soldiers countering the current wave of anti-Vietnamese attacks and added that the troops were reportedly charging "protection" fees to relatives of victims who wished to try and collect bodies from Khmer Rouge areas.

"These fees allegedly range from 100,000 riel (30 U.S. dollars) to 700,000 riel depending on the number of soldiers required and the location of the corpses," the report said.

Falt said the peacekeepers would closely monitor the situation in Kompong Chhnang and "make sure that the Cambodian authorities understand the great significance that the international community attaches to these attacks."

Meanwhile minor clashes were reported Monday and Tuesday between government and Khmer Rouge patrols in both Kompong Chhnang and Battambang provinces, Falt said. Fighting between the Khmer Rouge and government troops was also reported in the traditional trouble-spots of Kompong Thom and Siem Reap.

A bridge along the heavily contested national route 6 in the Santuk district of Kompong Thom province was blown up Tuesday, he said.

"Movement along the route was still possible but difficult," he said.

#### **Foreign Minister Sirivut Receives Thai Envoy**

*BK1407145993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 14 Jul 93*

[Text] Prince Norodom Sirivut, minister of Foreign Affairs and International Cooperation, received at his office on the morning of 13 July His Excellency [H.E.] Sunai Bunyasiriphan, ambassador of the Kingdom of Thailand to Cambodia.

His excellency the Thai ambassador warmly welcomed and greeted the prince on his taking office as the minister of Foreign Affairs and International Cooperation. The excellency said that the Thai Government was preparing to provide 8 tons of medicine worth about 4 million baht for use in various hospitals in Cambodia, adding that the medicine would soon be shipped to Kompong Som Port.

On behalf of the Provisional National Government of Cambodia [PNGC], Prince Norodom Sirivut thanked the Royal Government of Thailand for her assistance to resolving the question of national reconciliation in Cambodia. He said that the PNGC would always be grateful to and was joyfully awaiting this huge aid from Thailand. The prince also said that Thailand was preparing to provide our Cambodian National Armed Forces with uniforms.

#### **Indonesia**

#### **G-7 Leaders Said Less Bold Than 'Seven Dwarfs'**

*BK1407141393 Jakarta THE JAKARTA POST in English 9 Jul 93 p 4*

[Editorial: "Falling Short in Tokyo"]

[Text] The leaders of the Group of Seven (G-7) industrialized countries, who are expected to end their three-day summit meeting in Tokyo today, could have made a more substantial and momentous political declaration rather than the one they issued yesterday had they gathered in the Japanese capital with greater credibility and courage.

The statement, which falls short of new ideas on how to solve the world's most pressing problems, is obviously the most insignificant one made by any group of leaders over the past year.

The declaration fails to address the Bosnian crisis adequately, demonstrating once again that the leaders of the world's most powerful nations could even learn from the boldness of the Seven Dwarfs' protection of Snow White. In the much publicized summit meeting—with U.S.



President Bill Clinton appearing for the first time—this group even backed down on last year's determination to put an end to the Serbian massacre and expansionism in Bosnia-Herzegovina. Although these leaders did deliberate the conflict at length, they failed to even suggest a single workable way to approach the crisis.

The Bosnian crisis, which is clearly a blatant affront to humanitarian thinking, might well have been addressed more properly at the summit if Clinton—as well as the other leaders of the industrialized countries—was as concerned over human rights as he was when he spoke with President Suharto.

As it is, the declaration, which illustrates the industrialized countries' paralysis in the face of the problem, will undoubtedly fan the aggressive spirit of the Serbs.

The declaration also illustrates clearly that the seven leaders talked more seriously about their nations' interests than they did about pressing international issues. In light of the weak stance on Bosnia, it seems ironic that the declaration made special mention of Haiti, Iran and Iraq. These references must have been dictated by the United States, the only member strongly disturbed by the situation in Haiti and the current developments in the Mideast states.

The individual member nations' preoccupation with internal matters also was reflected in the fact that the summit failed to touch decisively upon the question of the new permanent seats in the United Nations Security Council. Host Japan, and Germany, which, judging from their economic muscle, deserve the seats, saw no move made toward achieving their ambitions in that direction.

President Suharto, in his capacity as chairman of the Nonaligned Movement, who also was in Tokyo, had earlier suggested reforming the world body through giving the seats to developing countries with populations exceeding 150 million.

The failure of this summit to deal seriously and courageously with any of these important issues was caused by the fact that some of the G-7 leaders, such as Clinton, British Prime Minister John Major and host Premier Kiichi Miyazawa, entered the meeting hall with their own personal problems. Clinton has earned the reputation of being the weakest and most indecisive U.S. president to date during his first six months, Major has been dubbed by opinion polls at home as Britain's worst prime minister since World War II, and Miyazawa faces crippling political constraints.

In this situation the leaders, who were expected to discuss the world's most pressing issues, have instead focused on their own interests. It is clear that this preoccupation makes it unlikely they will pay much attention to proposals of the Nonaligned Movement, which if studied properly could help solve some of the world's problems.

The political declaration the G-7 issued yesterday proves the point.

### **Suharto Invites WB Directors To Inspect Projects**

*BK1407133693 Jakarta ANTARA in English 1113 GMT 14 Jul 93*

[Text] Jakarta, July 14, (OANA-ANTARA)—President Suharto has invited visiting executive directors of the World Bank [WB] to inspect on site all projects financed by the international finance institution.

You're welcome to make an inspection to all the projects to see whether they are in accordance with the agreed program or not, president was quoted as saying by Minister of Finance Mar'ie Muhammad after a meeting between the head of state and seven executive directors of the World Bank.

Minister Mar'ie told the press that president had also invited them to hold direct dialogues with local people near the projects. They (local people) can be interviewed to see whether they actually participate in developing the projects or not, he quoted the head of state as saying.

The seven executive directors are Ibrahim A. Al-Assai (leader), Aris Othman, Mohamed Abu Syed, Kiyoshi Kodera, Bernard Snoy, Angel Torres and Wang Liansheng. They are also scheduled to hold talks with a number of ministers here.

### **Alatas on Troops to Somalia, Islands Dispute**

*BK1407155393 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 14 Jul 93*

[Text] Indonesia is considering sending troops to serve under the United Nations flag in Somalia. Speaking at a working meeting with Parliamentary Commission I [dealing with foreign affairs, defense, security, and information] in Jakarta today, Foreign Minister Ali Alatas said that the United Nations has requested Indonesia to send troops to Somalia. In view of that, the decision will be made depending on technical considerations from the armed forces commander and the defense and security minister.

According to Ali Alatas, Indonesia is always concerned about Somalia. Indonesia has placed its medical team to provide health care to the Somali people, who are facing a civil war.

Ali Alatas also spoke about the disputed Sipadan and Ligitan Islands issue involving Indonesia and Malaysia. He said that the issue will be amicably solved with the neighboring country within the spirit of ASEAN solidarity, which is highly respected by all ASEAN member countries. Because of that, Indonesia is exercising self-restraint in dealing with the dispute.



**Commentary Previews Suharto's Malaysia Visit**

*BK1507055993 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 15 Jul 93*

[Station commentary]

[Text] The Indonesian Government's desire to solve the dispute with Malaysia on Sipadan and Ligitan islands based on the spirit of friendship and cooperation as disclosed by Minister-State Secretary Murdiono the other day is not the first initiative taken by the government. In fact, such a spirit of cooperation is the hallmark of ASEAN countries since the regional grouping was established in 1987. The disputed islands will be one of the topics raised during talks between the two government leaders when President Suharto visits Malaysia later this week. The move will also show that Indonesia is keen in maintaining peace and order in this region for the continuity of development programs in each South-east Asian country.

We believe Malaysian Prime Minister Mahathir Mohamed will respond positively to the initiative, in view of the fact that talks between their ministers and senior officials have been leading toward a summit meeting between the top leaders. What is still seen as an obstacle is proof of the status of the two islands as well as the historical, judicial, national, and international assessments of the problem. Therefore, if the dispute of the islands located in the east of East Kalimantan will be have to be referred to a competent international agency, friendly relations between the two neighboring countries will not be disrupted.

If this takes place, the spirit and role of ASEAN will gain increasing recognition from the international community and other regional groupings. It will also become an excellent example among developing and nonaligned countries.

Intra-ASEAN cooperation is now flourishing especially through AFTA [ASEAN Free Trade Area], the process of which began this year. With its approximately 320-million population, ASEAN continues to make efforts to overcome its trade frictions while strengthening its position in international trade negotiations on the eve of the 21st century. After these efforts, ASEAN is expected to become one of the world's shopping centers in the coming century. From this standpoint, we can understand the importance of President Suharto's visit to Malaysia 16-18 July where he will discuss bilateral, regional, and even international issues with his Malaysian counterpart, in view of Indonesia's position as chairman of the Nonaligned Movement.

**German Delegation Agrees on Restructuring UN**

*BK1407123093 Jakarta ANTARA in English 1051 GMT 14 Jul 93*

[Text] Jakarta, July 14 (OANA-ANTARA)—Speaker of Germany's Bundestag (Parliament) Klaus Jorgen

Hedrich agreed with President Suharto's suggestion, as head of the Nonaligned Movement (NAM) to restructure the United Nations.

He said at a meeting with Vice Speaker of the Indonesia's Parliament Sutedjo and members of the Interparliament Coordination Board (BKSP) here on Tuesday. The Bundestag delegation arrived in the capital on Monday for a six day visit.

According to Tati Darsoyo, head of BKSP, Hedrich emphasized that the restructuring was necessary not only within the UN Security Council but also in the other sections to enable the world body to accommodate the aspirations of all its members.

During the hour-long meeting, BKSP expressed the hope that Germany, as the biggest country in the Europe, could open up more opportunities for bilateral cooperations, especially between the two nations. Darsoyo said that with the formation of the United European Community, she hoped Germany would not be protectionistic towards the developing countries.

She called on the Germans to play an active role in the Uruguay round of trade talks, saying that both the developed and developing countries were relying on its successful conclusion.

On the occasion, Darsoyo also thanked the German Government for the 110 million Deutschmarks worth of soft loans, which had been used to improve the people's welfare.

**France May Increase Aid if Economy Permits**

*BK1407130293 Jakarta ANTARA in English 1103 GMT 14 Jul 93*

[Text] Jakarta, July 14, (OANA-ANTARA)—French Government may increase its assistance to Indonesia from the amount it committed at the recent meeting of the Consulative Group on Indonesia but it depends on its economy, said French Ambassador to Indonesia Dominique Girard.

The realization of France's assistance can only be known next November or December when signing the aid agreement, he told ANTARA here on Wednesday on the occasion of 204th national day, which was attended by senior government officials.

He was answering a question on the fact that aid commitment from his government had been reduced from US\$176 million in 1992/93 to US\$123.3 million in 1993/94.

Asked about the possibility that his government's assistance might be decreased, he conceded that it may happen if his country's economy get worsening.

He said, however, that although the aid could be decreased, Indonesia will still be foremost among countries receiving aid from France.



Indonesia is the second biggest aid-receiver after Algeria, despite the fact that Indonesia has no traditional link with France, he said. Unlike other countries receiving assistance from France, Indonesia had never been colonized by the country.

According to him, the big amount of assistance received by Indonesia has reflected France's confidence in Indonesia to handle its foreign debt in accordance with the plan presented at the meeting of Consultative Group on Indonesia (CGI).

Currently, France's investment in Indonesia has reached US \$1.5 billion. Some one billion dollar of it was invested in oil exploration, US\$1.0 million in banking sector and the rest in tourism.

Asked about the investment climate here, he pointed out that Indonesia is still attractive enough but, as it faces a mounting competition with other countries, it need further efforts to better the condition.

Vietnam, India, and Thailand, are offering attractive incentives to foreign investors willing to do business in the countries, he said.

### **Students Protest Against UK's Bosnia Policy**

*BK1307151093 Jakarta THE JAKARTA POST in English 6 Jul 93 p 1*

[Text] Jakarta (JP)—Seventy Moslem students held a noisy non-violent demonstration outside the British Embassy yesterday criticizing London's policy in Bosnia-Herzegovina which they said helped perpetuate the massacre of Bosnian Moslems.

"The British are responsible for the killing of Bosnian Moslems," read one of the banners unfurled by the members of Indonesian Islamic Students for the Bosnian Moslems.

The protest came barely a week after Britain abstained during a vote in the UN Security Council on a resolution drafted by Moslem states to lift the arms embargo imposed on Bosnia.

It also followed the reprinting in a local newspaper of a letter purported to have been written by British Prime Minister John Major.

In the letter, whose existence has been denied by the British Embassy, Major suggested that Britain refrain from extending help to Moslems as part of its policy to prevent the establishment of a Moslem state in the former Republic of Yugoslavia.

The students demanded in a letter that Britain help end the arms embargo in Bosnia and allow other countries to arm Moslems so that they could defend themselves.

They urged Britain to end its "double standard", referring to its policy of giving sanctuary to controversial British born-writer Salman Rushdie, while ignoring the massacre of Moslems in Bosnia.

Their statement urged Britain to push the government of Croatia to open up its borders with Bosnia-Herzegovina. It also made a reference to letter supposedly written by John Major to Douglas Hogg of the Foreign and Commonwealth Office on May 2.

First Secretary of the Embassy John Carrol said the demonstration lasted for about 25 minutes and did not affect the embassy's activities. "The demonstrators did it very orderly... they were polite," he told THE JAKARTA POST.

The protesters left after embassy's charge d'affairs, Charles Gray, invited in two representatives from among the demonstrators and talked with them for about 15 minutes.

Police who monitored the demonstration closely said they did not make any arrests although they confiscated the banners.

This was the latest protest to be staged by groups of Islamic students. Three demonstrations were held in front the United States Embassy last week after Washington bombed Iraq.

Carrol doubted the authenticity of the letter said to be from John Major. "It is obviously a forged letter. It was written in poor English."

Whoever wrote the letter was not an educated man and not a native speaker, as there were many grammatical errors, he added.

The letter was reprinted in full, including the letterhead "10 Downing Street", the office of John Major, by the REPUBLIKA daily on Saturday.

The newspaper said it received a copy of the letter from LIFIAN, a publication in Zagreb, Croatia.

In the letter, Major purportedly told his staff that Britain was against arming or training Moslems in Bosnia and that London should continue to support the enforcement of the arms embargo.

The text of the letter said that the policy was aimed at "the dismemberment of the Bosnia-Herzegovina and its destruction as a possible Islamic State within Europe, which will not be tolerated."

Britain, one of the countries that abstained during the vote at the Security Council on the resolution to lift the arms embargo in Bosnia, said such a move would only worsen the bloodshed. The United States voted for the resolution.

### **Daily Views Future of Sihanouk Administration**

*BK1407093993 Jakarta THE JAKARTA POST in English 6 Jul 93 p 4*

[Editorial: "Khmer Rouge Dilemma"]



[Text] If one chose to view the latest developments in Cambodia with optimism, it would seem that Prince Sihanouk, who is now leading the newly-formed government, has eliminated the last hurdle in his effort to secure the future of his administration. Apparently the Khmer Rouge, the scourge of Cambodia's frequent attempts at peace, is feeling the dearth of room to maneuver since its self-imposed defeat, which it brought on by refusing to take part in the UN-organized general election in May. That step proved suicidal, with the election results recognized by nations throughout the world, including the People's Republic of China and Thailand, the Khmer Rouge's traditional supporter and friend.

The Khmer Rouge's withdrawal from Phnom Penh in April sent shock waves through some parts of the region due to the fear that the step would immediately plunge the nation into another brutal civil war, which the United Nations would see no way to extinguish. What haunted many people most were the ghosts of the more than one million innocent people that the Khmer Rouge massacred during its rule in the 1970s.

As it turned out, the withdrawal was more of a symptom of weakness than it was a sign of strength. It seems the Khmer Rouge's bite is no longer as nasty as its bark. It does not appear to be nearly as strong as it was 10 years, or even five years, ago.

While its army has been significantly weakened by prolonged war, its supporter and friend abroad—Beijing and Bangkok—have started to recognize the new reality inside and outside Cambodia. Today only people who want to retain power want to save communism. The only place left for communist guerrillas is the dense, dark jungle, which provides them not a single hope for the future.

Sihanouk's open attack on Khmer Rouge leaders, such as Pol Pot and Ieng Sary, last week confirms the faction's weakness. Although the prince appears to find it hard to be optimistic about his new job of building a strong government—he is clearly haunted by his suffering through the years of the "Killing Fields"—it seems he must now start thinking about how to include the communist faction into Cambodia's national life. This means disarming the guerrillas effectively, persuading them to surrender the areas they control and giving them no chance whatsoever to resurrect in the case of crises.

In all of this, Sihanouk must clearly move wisely and with extreme care. Many nations have faced renewed armed rebellion because they failed to channel former guerrillas onto the right side of the political spectrum. In Cambodia's case, such a situation will guarantee that the government remains weak and that none of the programs Sihanouk has envisaged will be workable.

### Dispute Arises With Tonga Over Satellite Slot

BK1407110193 Jakarta THE JAKARTA POST in English 8 July 93 p 8

[Text] Jakarta (JP)—Indonesia denies sitting on a satellite slot belonging to the Tonga kingdom and says it will not bend to pressure to pay for the geostationary orbital location.

"Indonesia will not follow the example of the American company Rimsat and pay the kingdom for slots," said Raden Saksono Sudarso, director for radio frequency monitoring and control of the Indonesian Directorate General of Post and Telecommunications.

Saksono said here yesterday that Mat Nilson, Tongasat's managing director, has been asking for rent from PT [Company Limited] Pasifik Satelit Nusantara, the owner of the Pacific 1 (formerly Palapa B-1) satellite, for the use of the slot.

The disputed slot is at 134 degrees east longitude, which has been the location of the Pacific 1 satellite since the 1980s. Other satellites orbiting the area include the Sakura 3A (132 degree), the Sakura 2B (136 degree), the Asiasat 2 (122 degree) and the Statsionar 15 (128 degree).

Saksono said: "But, Indonesia leaves open the possibility to exploit the slot together with Tonga through some arrangement. The two countries will hold a second meeting in September in Tonga."

The first meeting took place in Geneva in October 1992 at the request of Indonesia.

Tongasat recently threatened to retaliate against Indonesia for ignoring its request to pay rent for the Pacific 1 slot by moving a satellite into a slot owned by Indonesia, which would virtually stop either satellite from being able to operate and would disturb Indonesia's telecommunications systems.

Indonesia's state-owned PT Telekomunikasi (Telkom) currently operates the Palapa B-2R, B-2P and B-4 satellites to facilitate telecommunications in the country while PT Satelindo, PT Pasifik's sister company, plans to launch its maiden satellite, the Palapa C-1, in 1995. Another PT Pasifik affiliate, PT Bima Graha Communications, will launch its Indostar 1 in 1997.

Saksono acknowledged that Tongasat had published notice about its intention to use the slot at an earlier date than PT Pasifik, but said that there were other procedures to follow to gain protection from the ITU [International Telecommunications Union].

"Tonga must coordinate the planned placement of its satellites with other satellite operators who have placed their devices in that area in space and after that notify the ITU to allow the society to register the slots in the International Frequency Master Registry book," he said.



Dicky Adiwoso, PT Pasifik's managing director said that both Tongasat and his company were still in the coordination stage with other satellite operators and ITU had yet to record both Tongasat and his company's slot request.

Tonga and the London-based Intelsat society are in a fierce battle over the Pacific country's request seven years ago to the Geneva-based ITU to provide geostationary locations to launch its planned ten satellites into orbit.

The battle, which has yielded the kingdom the slots for six satellites, is not over yet as Intelsat is still waging its offensive to further reduce the slot numbers.

### **Restoration of Dissident's Civil Rights Urged**

*BK1407142193 Jakarta THE JAKARTA POST in English 9 Jul 93 p 1*

[Text] Bandung, West Java (JP)—Ali Sadikin, one of the government's staunchest critics, made an emotional plea to the authorities yesterday to reinstate the civil rights of retired army general Abdul Haris Nasution.

In a tearful speech, Sadikin said he could not accept that Pak Nas, as Nasution is popularly known, is suffering under treatment which he described as tantamount to civil death.

"Please pay attention to this. Pak Nas is the father of the Army. We are all aware of his struggles to solve the problems this country faced in 1965."

"Pak Nas is old and weak now, (and) it will be very sad if God calls him when he is still in this state," Sadikin, a former Jakarta governor and a retired marine lieutenant general, said.

Nasution, 75, was defense and security minister from 1959 until 1966. He survived a murder attempt by the Indonesian Communist Party when it staged an abortive coup in 1965. He was also chairman of the Provisional People's Consultative Assembly which installed Suharto as caretaker president in 1967.

He, along with Sadikin and other members of the Petisi 50 [Petition of 50] organization, fell from grace in 1980 after voicing searing criticism of the government's policies. In addition to being struck off the government's guest lists, Nasution and the other critics are barred from leaving the country and cannot obtain credit from state banks. At one time, their views could not be printed in the country's newspapers.

Sadikin made the appeal before reporters at the end of his tour of the state aircraft company IPTN [Nusantara Aircraft Industry] here yesterday. He and six other members of Petisi 50 toured the IPTN plant at the invitation of its president B.J. Habibie, who is also the state minister of research and technology.

This is the second time that Sadikin and the other members of the Petisi 50 organization have visited a state facility since they were made persona non grata in 1980. The first was last month to the PT [Company Limited] PAL shipyard in Surabaya which is also headed by Habibie.

The other six taking part were Suyitno Sukirno, Wakhdiat Sukardi, Rajab Ranggasoli, Chris Siner Key Timu, Anwar Haryono and Aziz Saleh.

The PAL visit fanned speculation of a political reconciliation between President Suharto and his critics, but these hopes were dashed when military officials said the government's attitude towards the Petisi 50 remained unchanged. The government viewed the criticism made by Petisi 50 to be insulting.

Sadikin acknowledged that his visit here, like the first one to Surabaya last month, could carry political significance, but insisted that the invitations were issued spontaneously by Habibie.

"I never expected to see the intense mass reaction from the Surabaya visit," he said. "I'm happy that news about Petisi 50 is again published in the newspapers."

Habibie told reporters that he had invited Sadikin and several others in their role as members of the 1945 Generation of freedom fighters.

"They are role models for the nation, their fighting spirit is very impressive," he said.

Former military officials and members of the Generation of 1945, including Wiyogo Atmodarminto, Sumitro Urip Widodo and Sayidiman Suryohadiprojo, also took part in the IPTN visit.

### **Official: Gas Supply Contracts To Run as Planned**

*BK1407133093 Jakarta ANTARA in English 1133 GMT 14 Jul 93*

[Text] Jakarta, July 14 (OANA-ANTARA)—The government has assured that Indonesian gas export will not be affected by the uncertainty over the construction of a gas refinery in Natuna. Ginanjar Kartasasmita, representative on the Board of Commissioners of the state oil company Pertamina, told journalists here Tuesday. He said that rumours about the cancellation of the gas development project in Natuna are groundless, and the output from other gas fields is sufficient to meet demands up to the year 2008.

This should not cause any worry, he added, about the diminishing role of oil and gas in future. If we were to choose, Indonesia would rather opt for non-oil/gas exports which are non-renewable, said Kartasasmita.

He agreed with the minister mines and energy, who called off negotiations with Exxon of the United States on the Natuna project, because of matters of principle involving production split, taxation and legalities.



Kartasasmita said the government has guaranteed that all gas contracts with buying countries such as Japan, Taiwan and South Korea will not be terminated halfway. All contracts to which Indonesia is committed will run as planned.

Indonesia is contracted supplying gas to Japan until the year 2004, South Korea until 2006 and Taiwan up to the year 2010.

Natuna is estimated to have 210 trillion cubic feet of gas, with a very high content (72 per cent) of carbon dioxide.

#### **Minister: Industrial Plan To Be Consistent**

*BK1307140493 Jakarta THE JAKARTA POST in English 3 Jul 93 p 8*

[Text] Jakarta (JP)—The focus of Indonesia's industrial development plan over the next five years will remain broad-based covering large-, medium- and small-scale industries, Coordinating Minister of Trade and Industry Hartarto says.

"Such a plan will include the development of technology-based industries," he said during a business dinner here Thursday evening.

However, he said the priority will remain the development of export-oriented industries as well as upstream and capital goods industries.

Hartarto said: "The efficiency level of the industry has been adequate. Its share in the country's total value of exports reached 62 percent and its average export growth rate reached 30 percent per year."

He said the role for technologically-based industries has been growing significantly with the export of steel and machinery ranking fourth, electronics taking fifth place, pulp and paper in eighth position and chemicals ranking tenth in export volume for this year.

Indonesia has projected exports of industrial goods will rise by 17 percent in the current 1993/94 fiscal year, starting in April, to US\$22.35 billion from \$19.10 billion targeted for the 1992/93 fiscal year.

The projection already takes into account the market obstructions in the Asia-Pacific region and in Europe as well as various non-tariff barriers elsewhere. It also accounts for the country's limited industrial infrastructure.

Textile products, for example, were expected to lead industrial exports in 1993/94 with sales abroad worth \$6.2 billion, followed by processed wood products at \$4.8 billion and leather goods at \$1.2 billion dollars.

Total exports already reached \$8.89 billion, including \$6.36 billion from non-oil products, in the first quarter of 1993. In comparison, exports reached \$7.47 billion including \$4.94 billion from non-oil products, in the first quarter of last year.

Incentives Hartarto said: "Further incentives will be offered to support the development of industrial research and development to make our products competitive on the world market."

He said Indonesia will also retain its prudent macro-economic management style.

"Indonesia, for example, will continue maintaining its balanced budget, curbing inflation at low levels and securing a healthy balance of payment as well as boosting exports and encouraging more privatization," he said.

He said Indonesia has to provide new employment opportunities for 2.3 million laborers each year and it, therefore, needs more investment to achieve the target.

"Emphasis will also be given to the development of the agricultural sector, industry, tourism, services, infrastructures and human resources."

Hartarto recalled that the government recently introduced a new series of deregulatory measures, which include the reduction of tariffs and the removal of non-tariff barriers to boost exports as well as streamlining of strategies for developing the country's automotive industry.

The measures also include reducing the number of business sectors on the negative investment list and simplifying procedures for tax facilities for export-oriented companies.

"The measures are follow-up actions responding to the simplification of the central bank's prudential regulations aimed at boosting bank loans," he said.

He said the planned new measures will be very important in helping increase the competitive edge for domestic products.

### **Philippines**

#### **Columnist Views Clinton Invitation to Ramos**

*HK1507064693 Manila THE MANILA CHRONICLE in English 15 Jul 93 pp 1, 6*

["Analysis" column by Armando Duranila's: "A Sign of Deep U.S. Interest"]

[Text] Washington—President Clinton's invitation to President Ramos to visit Washington sometime in November is interpreted here as a signal that, despite the end of Philippines-United States special relationship, the American administration has a deep interest in the consolidation of Philippine democracy and in making it work as a framework to promote economic development.

In a narrower sense, the invitation may also be seen as an implicit gesture of support to broaden the political base of President Ramos. Washington is aware that Ramos, elected with a precarious electoral mandate (24% of the



vote), is still consolidating his position and needs a broader base from which to initiate structural economic reform.

These are the impressions that I have collected from interviews with State Department officials, Philippine embassy officials academics and other personalities who have been associated with the Philippines.

Although President Ramos had, as early as last June, sought a visit to Washington as the first Filipino president elected after the withdrawal of U.S. bases in the Philippines, State Department officials emphasized that he is the first Asean leader to be invited. According to Tom Hubbard, deputy assistant secretary of state for East Asian Affairs, the invitation to Mr. Ramos is a signal that U.S. ties with the Philippines "are closer than those with Asean."

He said that Mr. Ramos was invited first not because U.S. economic interests in the Philippines were bigger than those with Asean. Because of historical relationship, he said, "our relationship is qualitatively different from that with any other Asean country."

He said that among the Asean nations, the Philippines is the only one that has a mutual defense treaty with the U.S. (in East Asia, the U.S. has similar treaties with Japan and South Korea). He also cited the large presence of Filipino immigrants in the U.S. indicating extensive people-to-people relationship. But Hubbard made it clear that this qualitative relationship "does not transform into" special trade concessions. Thirty-three percent of Philippine trade is with the U.S., and the U.S. is one of the few countries with which the Philippines has a favorable trade balance. It was made clear that economic relationship and trade are competitive and should be made open—and the Philippines should not expect special treatment. It has to be competitive to keep its market here, as well as to attract foreign investment.

Like academics and other Americans associated with the Philippines, Hubbard shared the view that in the redefinition of the post-bases Philippine-U.S. relationship, there is a basic element from which to build stronger ties that have been eroded by the tensions over the bases issue—and that issue is human rights and democratic values.

Hubbard said there is a special sense of closeness with the Philippines because "you alone among ASEAN nations are making a go of democracy," and the efforts by the Aquino transitional government and the successor Ramos government to institutionalize democracy had not gone unappreciated.

He countered, however, that there has been a "sense of disappointment over little progress" in solving daunting economic problems which both the Aquino and Ramos governments had inherited from the Marcos regime. He said there was a great deal of interest in the future of Philippine democracy, but there was concern that, while

democracy was working in a political sense, it was "not translating into economic progress."

He said that in the shaping of a new Filipino-American relationship that is more mature and equal, "this is the time for the Philippines to put its best foot forward" by stressing its democratic values that are being given emphasis by the Clinton administration as it develops its Asian policy in the post-Cold War era.

The philosophical commitment of the Clinton administration to encouraging democratic trends worldwide was recently underlined on his visit to Japan, where he attended the summit of the seven industrial democracies, and to South Korea. In Tokyo, Clinton received leaders of the rebellious wing of the ruling Liberal Democratic Party who seek to end party corruption and monopoly of power for more than 35 years. By receiving them, Clinton sought to encourage more openness and reform in the party.

In visiting South Korea after Tokyo, Clinton stressed two commitments. The first is the U.S. commitment to maintaining a critical security role in Northeast Asia. The second is he underlined his appreciation of the democratization trend in Korea, which has elected its first non-military president in Kim Yong-sam. He made a point of visiting the demilitarized zone that divides North and South Korea, and warned the North that if it ever used nuclear weapons, "it will be the end of their country."

Clinton has been forceful in giving expression to his commitment to encouraging democratic trends, and he found an opportunity when he reminded President Suharto of Indonesia's human rights violations in East Timor. Suharto established personal contact with Clinton by going to the Tokyo summit to represent the Non-Aligned Movement, of which Indonesia is the current president. No American president since Ronald Reagan and George Bush has been as forceful in stressing America's democratic commitment as Clinton, and this is a good base for the Philippines to build the foundation of its new relationship with the U.S.

The Clinton performance in the Group of Seven Tokyo summit and in Korea has been full of symbolisms about his administration's priorities. His economic priority to cut the U.S. deficit and revitalize its economy were addressed in the agreement with Japan to have a framework within which to open up trade and resolve trade tensions and in breaking the seven-year logjam in the Uruguay Round of GATT that had impeded free international trade. His commitment on democratic trend was expressed not only in Tokyo and Seoul, but it is finding further expression in the priority given to Mr. Ramos for the visit to Washington.

The message is that Washington is propping up the Ramos government to deliver economic results within a democratic system. Given the economic problems in Manila, this is a big task for Mr. Ramos, and the job has to be done mainly in the Philippines by Filipinos and not



in the United States. Mr Ramos' task is to prove skeptics on democracy in Asia, notably Singapore's Lee Kuan Yew, wrong that American-style democracy, with its tendency to produce "gridlocks" that block coherent decision making, cannot and does not work in an Asian setting.

#### **Japanese Aid To Fund Development Projects**

*HK1507072493 Manila THE MANILA CHRONICLE  
in English 15 Jul 93 p 9*

[Text] The Japanese and Philippine governments will formalize today the first batch of a grant-in-aid package for fiscal year 1993 amounting to 11.405 billion yen (about P2.850 billion [Philippine pesos]) to fund seven projects on communications, sanitation, transportation, education and food production.

Japanese Ambassador Hirokazu Arai and Foreign Affairs Secretary Roberto Romulo will sign the grant assistance agreement for the following seven projects:

Government emergency telecommunications system project, 785 million yen (about P196 million); urgent water supply project for the resettlement areas and barangays affected by the Mt. Pinatubo eruption, 1.077 billion yen (about P269 million); project for constructing primary and secondary school buildings, phase V, 2.920 billion yen (about P730 million); improvement of seed production and distribution and establishment of appropriate seed storage system project, 1.429 billion yen (about P357 million); integrated Jala-Jala rural development project, Phases II, 906 million yen (about P227 million); project for constructing bridges along secondary rural roads, Phase IV, Group 2, 2.088 billion yen (about P522 million); and increased food production project, 2.200 billion yen (about P550 million).

The government emergency telecommunications system is a large-scale satellite communications system aimed at hastening government response to disasters and calamities. The project provides for a central station in Metro Manila, with 30 satellite stations scattered nationwide.

The second project addresses the need for safe drinking water in the Mt. Pinatubo resettlement areas. The 1.077 billion yen grant will be used to procure drilling equipment and the construction of 866 deep wells and eight spring water use facilities.

For the third project, 72 primary and secondary prefabricated typhoon-resistant school buildings will be erected in Regions I and III. Already in its fifth phase, the project has so far built 285 school buildings in six regions nationwide.

#### **Ramos Approves Bataan Nuclear Plant Conversion**

*HK1507034993 Manila DWIZ Voice of the Filipino  
People's Radio in Tagalog 2200 GMT 14 Jul 93*

[Text] President Fidel V. Ramos has approved the conversion of the Bataan Nuclear Power Plant into a

fossil-fired plant based on an earlier recommendation by the Department of Energy. The president made the move after Energy Secretary Delfin Lazaro submitted a final report made by a task force formed to study proposals for the power plant's conversion. Lazaro said the fossil-fired plant will utilize coal or oil which will allow the plant to produce electricity at a lower cost compared to the fast-track power plants of the National Power Corporation.

President Ramos wants the Bataan power plant to be useful especially since the Philippines earlier lost its bribery case against Westinghouse, the power plant's contractor.

#### **Promotes Police Director, Others**

*HK1507035593 Manila DWIZ Voice of the Filipino  
People's Radio in Tagalog 2200 GMT 14 Jul 93*

[Text] President Fidel V. Ramos has promoted Philippine National Police [PNP] Chief Humberto Rodriguez to the rank of four-star general. The promotion formally made Rodriguez PNP director general. The chief executive has also promoted Chief Superintendent Percival Adiong to the rank of director. Promoted to chief superintendents are Senior Superintendents Enrique Pilapil, Joel Canson and Alfonso Mora.

#### **Paper Reports First-Quarter Export Statistics**

*HK1307035693 Manila BUSINESS WORLD in  
English 13 Jul 93 p 14*

[Text] Electronics, particularly semi-conductor devices, continued to top the country's biggest export earners in the first quarter. Data from Central Bank (CB) show semi-conductor devices raked in \$242.081 million in export receipts. This was followed by other electronic integrated circuits and microassemblies, and other electrical and electronic machinery. In the same period, the two commodity groups recorded export revenues of \$128.33 million and \$123.85 million, respectively.

This developed even as the industry complained of unstable policy environment emanating from overlapping government policies and bureaucratic red tape. The industry, specially semi-conductors, had also been benefiting from increasing new applications in such fields as computers, telecommunications, consumer products and automotive industry.

Garment exports were the next highest contributor to the country's dollar earnings. Combined income generated by the three commodity groups—women's, men's, and children's and infants' wear—amounted to \$256.276 million or one-fourth of the aggregate earnings registered by the ten principal export items. The garments industry has been competing with electronics as the country's star export performer. Prospects for the industry, however, depend on the Philippine-U.S. bilateral textile negotiations to be held this year.



The United States is the country's biggest market for garments. It granted the Philippines a quota of 558 million square meters. Currently, the local industry is lobbying for a higher quota in anticipation of the expiration of the accord between the two countries on December 31 this year.

Other major export earners include traditional products like coconut oil which ranked fourth in export revenues. Earnings from coconut oil exports reached \$108.052 million, up 22.16%. Ignition wiring sets and copper metal exports generated \$67.63 million and \$64.65 million respectively. Earnings from copper metal exports declined as soft global prices forced a local mining firm to shut down its copper operations.

### Thailand

#### Official Warns of More U.S. Drug-Protection Demands

*BK1507030793 Bangkok THE NATION in English  
15 Jul 93 p B14*

[Text] A senior official of the Food and Drug Administration [FDA] said the government's approval on Tuesday to provide a four-year protection period for pharmaceuticals was sound and technically reasonable, but warned to prepare for more demands from the United States.

Speaking at a roundtable yesterday, "The Conflicts between Thailand and the US", Dr Suwit Wibunphonprasoet said it was not wrong for the government to grant a four-year protection period.

The Cabinet on Tuesday approved proposed amendments offering administrative measures including safety monitoring programmes for "pipeline" drugs—pharmaceuticals already patented but not yet marketed in Thailand—for a maximum of four years instead of seven years as demanded by Washington.

Suwit said that in the proposed amendment approved on Tuesday, pipeline drugs are subjected to safety monitoring programmes (SMP) for a minimum of two years.

If necessary, the SMP will be extended by another one year for the maximum of four years, Suwit said.

"In this case, it is academically accepted and it does not necessarily mean that every pipeline drug will be protected for four consecutive years," Suwit said.

According to Suwit, the key word is "if necessary". Only drugs which need further safety monitoring will be granted extended protection to a maximum of two years.

"If all information proves that the particular drug is all right for Thai people, there is no reason to provide SMP extensions and generic products will be able to be produced," Suwit explained.

Yet he estimated that a four-year protection period for an estimated 900 pipeline drugs which will come into Thailand in the future will cost Thailand about Bt [baht] 849 million.

"It will not cost Thailand Bt849 million in one year because all 900 pipeline drugs will not flood into Thailand in one year.

"One thing to be concerned about is that this is the 1992 price and it does not include anti-AIDS drugs," he said. Yet Suwit warned that the United States still has other demands in the case of pharmaceuticals.

It is likely to demand that drugs can be sold in pharmacies during the SMP period, and the exemption of the Certificate of Free Sale.

The first demand concerns the current Thai FDA restriction which forbids any drugs under the safety monitoring programme (SMP) from being sold anywhere other than in hospitals.

"The reason is obvious. We want to monitor safety, that's why we want the drugs to be sold and used only in hospitals," Suwit said.

The second demand, however, is more serious if the United States demands exemption of the certificate.

It will mean that drugs registered in the United States can be simultaneously registered and accepted by Thailand's FDA.

At present, the demand can't be met as Thailand requires US drug producers to present their Certificate of Free Sale, an approval from the US FDA that the drug can be safely sold and used elsewhere other than in the United States.

#### Deputy Premier Sees Growing U.S. Protectionism

*BK1407132593 Singapore BUSINESS TIMES in  
English 14 Jul 93 p 3*

[Text] Bangkok—Thai Deputy Prime Minister Suphachai Phanitchaphak has expressed surprise at the growing protectionist policies of the United States.

"I had thought that President Bill Clinton would be more understanding," he said in a recent interview. "What we are seeing now is the opposite of what I personally thought would happen. Still, we must give the Clinton administration the benefit of the doubt. As a new president, Mr Clinton must be under pressure from the private sector to protect U.S. industry. I think that as he becomes more entrenched and solidifies his position, he may relax a little."

Thailand has several problems with the U.S.—particularly being listed on the Super 301 Priority Watchlist for alleged infringement of intellectual property rights.



"We are working hard to get off that list," Mr Suphachai said. "I think we have made more progress towards the protection of intellectual property rights in the past six months than we did in the previous three years."

Thailand is vigorously enforcing its laws to penalise copyright violators, he said. It is also revising legislation such as the Patents Act to provide more stringent protection for intellectual property rights.

"We are telling our people that in order to advance in technology, we must protect other country's rights," Mr Suphachai said. "If we don't, and if we continue to duplicate the work of other countries, then we won't be able to buy the technology that Thailand needs."

On the regional front, Dr Suphachai, who was president of Thai Military Bank before taking up his portfolio in the Chuan Cabinet, said Australia's concern about the diversion of trade and investment as the Asean Free Trade Area (Afta) developed was unfounded. Australia would not be discriminated against because it was outside Afta, he said.

"Countries like Australia will have a role to play and they will continue to supply goods and services to Asean because we can't be self-sufficient."

On Australia's proposal to upgrade the Asia Pacific Economic Cooperation (Apec) forum into an open regional market, Dr Suphachai said Thailand was "listening with interest but has not yet worked out the full implications".

#### **Minister To Discuss PRC Investment in Roads, Ports**

*BK0107024793 Bangkok BANGKOK POST in English  
15 Jul 93 p 6*

[Text] Chinese businessmen will be invited to co-invest in highway projects in Laos and Burma and port projects in Thailand during the official visit to Yunnan in southern China by Deputy Transport & Communications Minister Charat Phuachuai.

The deputy minister said yesterday that the two highway projects in Laos and Burma will contribute to the development of the so-called "Growth Quadrangle" which encompasses China, Lao, Burma and Thailand.

Two laterite roads now exist—one from Mae Sai through Burma's Tachilek and Kengtung to Chiang Roong which is 230 kilometre long; and another 250 kilometres from Chiang Rai's Chiang Khong District through Laos' Luang Nam Tha District of Boh Kaew Province to Muang Sing.

Pending approval from the central governments of Laos and Burma, Thai businessmen are ready to coinvest in the highway projects with their Chinese counterparts, Mr Charat said, adding that the two countries will directly benefit through the collection of tollway fees.

Meanwhile, Chiang Rai MPs are seeking Cabinet approval for construction of another bridge across the Mekong River in Chiang Khong to serve the planned highway from Thailand to Laos and China, he said.

Officials of China, Laos, Burma and Thailand will meet together to discuss the "Growth Quadrangle" this September, but the venue is yet to be settled, Mr Charat said.

Chinese officials had suggested holding the meeting in Kunming while Laos proposed Vientiane, he said, adding he preferred Vientiane as the venue.

Mr Charat said he would seek China's confirmation of its plan to build four ports in the Mekong River on the banks of Chiang Saen and Chiang Khong districts of Chiang Rai Province, Chiang Khan District of Loei Province and in Nong Khai Province.

#### **Prasong Visits PRC, Arrives in Shanghai 11 Jul**

*BK1407145393 Bangkok Voice of Free Asia in Thai  
1030 GMT 14 Jul 93*

[Text] Foreign Minister Squadron Leader Prasong Sun-siri and his entourage, comprised of 17 businessmen and a number officials from the Foreign Ministry and agencies in charge of international economic works, arrived in Shanghai on 11 July. They were greeted upon their arrival by officials of the Shanghai administration and the Thai ambassador to the PRC and later lodged at (Xinchiang) Hotel.

On 12 July, the foreign minister and his party were briefed on Shanghai City's economic conditions and investment promotion policy by (Wang U-than), chairman of the Foreign Trade Committee. (Wang) reviewed incentives for foreign investment, joint investment with foreign companies and countries, and economic infrastructure and facilities including information concerning the market, labor force, and raw materials. This information can be useful for Thai businessmen who plan to invest in China.

#### **Taxes Stymie Foreign Banks' Offshore Operations**

*BK1507032193 Bangkok THE NATION in English  
15 Jul 93 p B1, B14*

[Text] Bangkok's aim of becoming a regional financial centre is still snagged as the 20 overseas representative banks awarded offshore banking licences remain confused over the taxation situation and are reluctant to start up their businesses banking sources said yesterday.

They said they have found little, if any, incentive to launch their offshore banking business under the auspices of the Bangkok International Banking Facility (BIBF), as Thailand's tax regulations are not yet conducive to cross-border transactions.

"We still have to find out if it is worthwhile to transform our representative status into that of a full BIBF bank if the current tax regulations are in place," said one banker.



In March this year, the government ushered in a new era by issuing 47 BIBF licences to local commercial banks, overseas bank branches and representative banks.

By issuing the licences it hoped it would not only help promote Bangkok as a regional financial centre, but also liberalize the country's financial system.

For the 20 new BIBF banks offshore banking business in Thailand is a whole new ball-game as, hitherto, they were restricted to marketing or match-making activities and could not handle actual transactions.

But five months after receiving the licences, they have little enthusiasm for offshore business as the punitive tax regulations makes it illogical for them to start operations.

The 20 are: Bank of Nova Scotia, Industrial Bank of Japan, Long-Term Credit Bank of Japan, Sumitomo Bank, Sanwa Bank, Mitsubishi Bank, Dai-Ichi Kangyo Bank, Internationale Nederlanden Bank, ABN-AMRO Bank NV, Credit Lyonnais, Banque Nationale de Paris, Societe Generale, Scandinaviska Enskilda Banken, Dresdner Bank AG, Bankers Trust Co, American Express Bank, Bank of New York, Korea Exchange Bank, Bank of China and the Development Bank of Singapore.

Together, they have formed the BIBF Club and displayed unity by calling for Thai regulators to get to grips with the tax situation.

Early last month, they sent two letters to the Bank of Thailand, one asking for clarification over five-point tax issues and the other on administrative procedures.

One of the issues the banks raised involves tax charges against transactions linked to a branch of a BIBF bank. If one of the BIBF banks wishes to bring foreign currency in from a branch elsewhere and book the transaction in Bangkok, it has to pay tax.

Existing foreign banks have been circumventing the tax regulation by funding through other entities—their affiliates—to avoid being subject to taxation.

In another scenario, if a BIBF bank books a letter of credit (LC) for a client from one of its branches elsewhere and one in which tax has to be paid to the home country, the income from that transaction is also subject to taxation at the Bangkok operation.

In effect, the BIBF bank ends up paying tax twice whereas if it merely maintained a representative office and booked the transaction from Singapore, it would not have to pay any tax in Bangkok.

The 20 who applied for the BIBF licences in the belief that the tax structure would be clear and conducive to offshore business, have yet to receive any formal answer from the banking regulators, who merely assured them that the government would be improving the regulation.

"Khun Tharin (Nimmanhemin, the finance minister), and Khun Wichit (Suphinit), the central bank governor, seem to be well aware of the problem and have promised to have a closer look into it," said another overseas banker.

Pandit Bunyapana, the late permanent-secretary for finance, agreed to work on the problem but died last week on board a flight to Bangkok from London.

So far Industrial Bank of Japan, Sumitomo Bank and Sanwa Bank (all Japanese), have launched their BIBF business, by bringing in US\$4 million as an overture.

### **'Strategic Blueprint' Calls for New Policies**

*BK1507014393 Bangkok THE NATION in English  
15 Jul 93 p a4*

[Text] Thailand has completed its strategic blueprint that calls for new approaches in its engagements with neighbouring countries and to cope with future economic and security challenges in the post Cold War era.

The blueprint the first of its kind recommends that Thailand not allow its territory be used as sanctuaries which can be damaging to neighbouring countries.

The 16-page master plan also advocates a more sensitive aid policy towards neighbours that would take into consideration their integrity and indigenous needs.

The document will be given the final touches at next week's meeting of the National Security Council, chaired by Prime Minister Chuan Likhai and attended by senior government and armed forces officials.

Before the recommendations become policies, the blueprint will need Cabinet approval. It will be adopted to supplement the country's foreign policy direction.

The Subcommittee to Formulate Policy and Strategic Framework to Promote Regional Equilibrium as it is known has been working in the past 10 months to come up with a comprehensive policy covering the country's economic, political and security relations with countries bordering Thailand and the region. The document will be used to guide Thailand into the 21st century.

At the previous meeting in Phatthaya last month, the subcommittee's four working groups discussed in detail human resources development and society, economy and energy; transportation and communications networks, and politics and national defense.

The blueprint also included a special section dealing with public relations campaigns to back the strategy.

In the section on political and national defence, the blueprint detailed measures to be taken in four areas: the domestic domain, bilateral relations, multilateral forums and regional security cooperation.

On bilateral ties, Thailand must eradicate mutual mistrust with neighbouring countries and forge a common



position on economic development that would benefit all countries, according to the blueprint.

It stresses that Thailand must not allow its territories to be used as sanctuaries and it should suppress smuggling along the border as well as drug trafficking.

Thailand will try to encourage both Burma and Cambodia to accede to the Treaty of Amity and Cooperation in Southeast Asia as soon as possible, according to the plan.

It will also support the current dialogue between ASEAN and its dialogue partners on security matters.

As far as regional security cooperation is concerned, the blueprint supports future maritime surveillance cooperation among ASEAN countries. It also recommends the setting up of a regional peace-keeping training centre in the region to help United Nations operations.

It calls for more exchanges of visits among ASEAN military leaders and data exchanges to increase mutual confidence as well as strengthening cooperation with regional security and strategic institutes.

#### **100-200 Illegal Burmese Arrested Monthly**

*BK1507025393 Bangkok BANGKOK POST in English  
15 Jul 93 p 6*

[Text] Mae Hong Son—The influx of illegal immigrants from Burma to this northern province is continuing with between 100 to 200 arrested each month.

Mae Hong Son Immigration Office chief Piya Chantharak yesterday said he was worried by the rising number of Burmese crossing the border illegally into Thailand as it was difficult for his office to control the illegal entries due to a lack of manpower.

The office now has only four staff members.

Pol Lt Col [Police Lieutenant Colonel] Piya said the crackdown on illegal Burmese immigrants was supported by Border Patrol Police and between 100 to 200 were caught monthly.

Some immigrants have also surrendered to police in the belief life in a Thai prison is better than their living conditions in Burma.

Pol Lt Col Piya said his policy was to push the illegal immigrants back into Burma as the provincial prison does not have the resources to accommodate them.

The Burmese usually cross the border illegally into Mae Hong Son to work as unskilled labour paid about 40 to 60 baht a day.

#### **General Involved in 1992 Riots Denied Australian Visa**

*BK1407021793 Bangkok BANGKOK POST in English  
14 Jul 93 p 1*

[Text] The Australian ambassador to Thailand called an urgent meeting of embassy staff yesterday to discuss a report it had recently refused to grant an entry visa to a Thai army general involved in the 1992 May bloodbath.

According to an informed source, John McCarthy held the meeting with top-ranking embassy officials to find out how this "secret story" was made public by a news agency.

Yesterday's report from Reuter said Australian Immigration Minister Nick Bolkus refused to grant a visa to Lt-Gen Chainarong Nunphakdi, who commanded the troops that fired on prodemocracy demonstrators in Bangkok in May last year, because the general did not meet the "public interest" criteria for entry.

The source said that all Commonwealth states and not just Australia, have agreed to boycott every member of the National Peacekeeping Council (NPKC) for their role in the May massacre, and have monitored their activities since then.

The source said the resolution was reached because the Australian people were upset over the incident.

He said that Lt-Gen Chainarong's name was on top of the list because he had applied for the entry visa last May, on the first anniversary of the Bangkok demonstrations, on the grounds of leading a weightlifting team to Australia.

Foreign Ministry deputy spokesman Rawi Hongpraphat said that Lt-Gen Chainarong's application for entry into Australia was his personal affair and the Thai Government would not take any action.

Lt Rawi pointed out that the Australian Government has the right to withhold granting a visa to anyone who does not fit the criteria.

"If the application was on an official basis, then the Thai Government would consider the matter further. But this is not an official visit," the source added.

#### **Prodemocracy Activists Hail Visa Refusal**

*BK1507023593 Bangkok THE NATION in English  
15 Jul 93 p A1, A4*

[Excerpt] ARMY chief Wimon Wongwanit reacted guardedly yesterday to Australia's visa ban on ex-First Army Region commander Chainarong Nunphakdi for his part in the May crisis, while Thailand's prodemocracy movement heaped praises upon Canberra.

Wimon admitted Australia's decision affected "the whole nation", especially the Thai military. But he stopped short of criticizing the ban.



"I don't know how Australia exactly feels and therefore can't give any comment," Wimon said.

When pressed by reporters for further comment, he said: "I'm not the one who ordered the ban. Please don't pit me against the others."

Prachakon Thai leader Samak Suntharawet, a rightist conservative, warned yesterday of a possible anti-Australia backlash here by right-wing groups.

Samak, who has staunchly defended the brutal military crackdown on prodemocracy activists in May last year said he did not believe the Australian rejection of Chainarong's visa reflected consensus reached by all the members of the British Commonwealth as it was reported to have claimed.

"It's impossible. Britain and Hong Kong are still granting visas. I believe there must be somebody behind the move," he said without elaboration.

Members of the pro-democracy movement presented bouquets to the Australian Embassy yesterday. Prathip Ungsongtham-Hata, slum activist and a leader of the Confederation for Democracy (CFD) said the Australian action was justified.

The Australian Embassy, as well as a number of other developed countries, have reportedly black-listed some people that includes the generals who played a role in the May massacre.

"The Australian Embassy's act (of denying Chainarong visa) is justified," said Prathip.

Australia's Immigration Minister Nick Bolkus refused in May to grant an entry visa for Chainarong, president of the Weightlifting Association of Thailand, on the grounds that he did not satisfy his country's 'public interest' criterion.

Prathip said the Australian move was a contribution to humanitarianism, helping to implant the democratic regime in Thai soil.

"Whoever suppresses democracy and kills people deserves condemnation and the Australian action was appropriate," she said.

The Confederation for Democracy said in a statement Canberra's move would serve as a deterrent against dictatorial acts in Thailand in the future. [passage omitted]

### **Canned Pineapple Allowed Back in Australia**

*BK1407145893 Bangkok Voice of Free Asia in Thai 1030 GMT 14 Jul 93*

[Text] The Australian government recently ordered the recall of Thai canned pineapple from supermarkets in that country following the report on the needle injection

of poison into canned pineapple imported from Thailand by a group of Australian extremists who called themselves Australian Products First.

According to a report from the Thai consul general in Sydney sent to the Foreign Ministry, Bruce Devon, executive director of the Australian Supermarket Institute, informed the consul general on 12 July that the Australian government has granted permission for Thai canned pineapple to be sold in supermarkets in Australia again from 12 July. However, the ban on the sale of the Thai product still remains effective in Queensland and the northern region of New South Wells. The people who purchased Thai canned pineapple in the two states in June have been instructed to return the products to sales agents.

### **Labor Dispute Threatens Trade Union Movement**

*BK1107051693 Bangkok THE SUNDAY POST in English 11 Jul 93 p 24*

[Excerpts] "I'm too old. Nobody would hire me," said Mrs Suli Damrongphonsathaphon, 48, a worker at the Phra Pradaeng factory of Thai Durable Textile Company. Mrs Suli will soon be out of work if the company carries out its plan to lay off 376 workers.

Since the company announced its plan, the workers have vehemently protested, with a number of them holing up inside the factory and others keeping vigil outside, blocking the entrances to the compound. They have petitioned the Government to intervene, but there has been little action from the authorities. [passage omitted]

The long-running struggle between Thai Durable Textile and its workers is one of the country's fiercest labour disputes. Thai Durable Textile, otherwise known as Thai Kriang, has the country's strongest private-sector union, representing 2,265 of the 3,460 workers at the factory.

The employer seems to have gained the upper hand by closing down its production units W1 and W2, but union members including some leaders have laid siege to the factory and vow to continue their protest until the management agrees to a compromise on their demands.

While the struggle may be just another management-labour dispute to the public, to employers and unions nationwide the stakes are higher. For employers, Thai Kriang's victory over its labour union would break the labour movement's back. For the unions, a retreat would mean an avalanche of mass layoffs to follow.

Increasing competitive pressures from other developing countries have forced manufacturers here, especially those in the textile and garment industry to modernise, cut costs and boost production by introducing advanced technology, in the process laying off unskilled workers.

Thai Kriang's retrenchment and modernisation plan has become a test of the labour movement's strength and other employers are watching with great interest.



The company's director and finance manager, Yongkiat Tirachaimongkon, expressed bewilderment that the union should put up such stiff resistance: "I don't understand why our decision to close down units W1 and W2 ran into a problem. This was not the first time. We had no problem laying off 114 workers three years ago."

He said the company has been fair to the laid-off workers by paying 25 million baht in compensation. Each worker will receive six months' pay according to law, and additional compensation in accordance with their length of service. Those who have been with the company for more than 25 years would get an additional 10 months' pay. No other company has been so generous, he said.

"We're willing to pay much more than the law demands. But we can't accept interference in our administration by the union. The management has the right to close unnecessary units and to introduce new machinery," said Yongkiat.

He insisted that it is necessary to close the two units to cut costs. The company has had to face a slowdown in demand in industrialised countries, most of which are in recession. In the first quarter of this year, he said, the company lost 49 million baht, though it had made a profit of two million baht in 1992.

Thai Kriang and other textile companies are facing "one of its worst years" because of the market slump, Yongkiat added. They have been under pressure to upgrade their operations and use modern weaving equipment to produce goods for the medium- and top-end market.

Many workers doubt that the introduction of new technology is the real reason behind the retrenchment. Some union leaders have speculated that Thai Kriang was pressured by other companies to get rid of union leaders. Seven will be laid off under the plan.

The Thai Kriang union is the strongest union in the private sector. It has taken an active role in the labour movement since state enterprise unions were dissolved by the National Peace-keeping Council in 1991, and has spearheaded many successful industrial actions for more employee benefits nationwide, including that for 90 days' maternity leave with full pay.

The layoff at Thai Kriang has many labour activists and academics worried. They are talking about asking the government for protection for the workers, including a guarantee of new jobs for labour leaders and union members if they are laid off.

Among those laid off by Thai Kriang is Aruni Sito, one of the union leaders who pushed for 90 days' maternity leave, which has greatly upset many employers, particularly those operating textile and garment factories, where up to 90 per cent of the workforce is female. Ms Aruni, who was given a plaque by Prime Minister Chuan Likphai for her outstanding labour activities, is secretary of the Thai Durable Textile union and president of the

Textile and Garment Workers Federation of Thailand. She said the jobs of thousands of workers at other textile and garment factories are at stake. [passage omitted]

### Textile Firm Layoff Termed 'National Crisis'

BK1507015993 Bangkok THE NATION in English  
15 Jul 93 p A3

[Text] Government officials, academics and employers yesterday described the lay off of workers by the Thai Durable Textile Co as a national crisis and urged the government to solve the conflict immediately.

A fierce debate took place yesterday at Thammasat University during a seminar on "Changes in Technology and the Effect on Labour Employment." Most speakers called for the government to take immediate action in the conflict at the Thai Durable Textile plant in Samut Prakan province, which employees shut down two weeks ago to protest the lay off of fellow workers.

Suphachai Manatphaibun, secretary of the Board of Investment's (BoI) subcommittee on Labour Environment accused Thai textile and garment factory owners of plotting to eliminate unions. He said the Thai Durable case is their first move.

"Thai Durable Textile Co's employers have dug a grave for themselves and because of their cruel nature, the employees went on strike," Suphachai said during the seminar. "Employers are well-educated, but they didn't use their good judgement and instead they made the workers angry."

Sophon Wichittrakom, chairman of the Textile and Garment Industry Confederation of Thailand, appeared to be very upset as he listened to Suphachai's accusation.

"The remarks were biased," Sophon said later. "We (the employers) didn't know about Thai Durable Textile's problems. We didn't know that the firm had 'slaughtered' the workers' union. We had no part in it. The accusation that employers had united to get rid of unions is baseless. I didn't know till today that Miss Aruni Sito (secretary of the Thai Durable Textile union) would be fired."

Yongkriat Tilachaimongkon, director of finance for Thai Durable Textile who sat in on the seminar as an observer, also denied that employers had systematically laid off 376 workers, including six union leaders.

"The company cannot survive without resorting to retrenchment since the machinery (that laid-off staff worked with) is 30 years old," he said.

But Yongkriat refused to answer a Chulalongkorn University economics lecturer who asked why the company did not inform workers of the lay offs well in advance.

Academics who participated in the seminar agreed that the retrenchment had turned into a national crisis, while Dr Thiwa Thanaesuan, president of the Employers'



Confederation of Thailand said the country was losing a lot of revenue due to the on-going crisis.

"It's about time that all parties involved come together to talk about a solution," Thiwa said.

But Sangsit Piriyaaranson, a political economic lecturer on labour affairs at Chulalongkon University, said the Thai Durable Textile conflict with its employees was due to a change in the management style of different generations.

"Thai Durable Textile workers referred to Mr Charin (founder of the company) as 'father' until his Western educated son took over," Sangsit said. "This generation of employer may not know much about the relationship of the previous generation, which used be an abstract relationship, so there is no continuous management style, leading to conflicts".

Dr Nikom Chantarawitun, chairman of the Thai Labour Development Institute and fommer director-general of the Department of Labour, said the government should set aside funds to help employees who are too old to seek other jobs.

He also added that the government must conduct a serious study on how many workers in what kind of industries face a future retrenchment threat.

"The Matichon daily ran a front-page story on Wednesday saying that tens of thousands of workers are under such a threat, while Mr Sophon said that was not true," Nikom said. "It's about time that the government takes this matter seriously. I'm afraid it might be too late".

#### **Police To Arrest Lao Rebels Ahead of Conference**

*BK1007035393 Bangkok BANGKOK POST in English 10 Jul 93 p 7*

[Text] Chiang Mai—The police in northern provinces have been told to arrest Laotian rebels believed to be in hiding, especially in provinces bordering Laos.

An informed police source said the instruction was given by the Police Department in anticipation of potential subversive activities which might be perpetrated by the rebels ahead of or during the first conference of the Growth Quadrangle which encompasses Laos, Burma, China and Thailand, tentatively scheduled in November.

Hosted by China, the meeting will be held in Xishuangbanna in Yunnan, southern China which has recently registered one of the highest growth rates in the world.

The source said the Thai police action against the rebels would demonstrate to Vientiane the Thai Government's sincerity and also to do away with the Laotians' suspicion that Bangkok has clandestinely given support and sanctuary to the anti-government forces.

Meanwhile, a police crackdown on illegal immigrants, especially Burmese, continued yesterday with the rounding up of 28 Burmese illegals at the construction site of a mental hospital in Mae Rim District.

#### **Chuan on Exploitative Loggers, Corrupt Politicians**

*BK1107074293 Bangkok SIAM RAT in Thai 11 Jul 93 p 2*

[Text] Prime Minister Chuan Likphai, while speaking to local leaders and politicians in Songkhla Province on 10 July, spoke about Burma's plan to cancel logging concessions with Thai businessmen. He said that in cooperation with neighboring countries, it is essential to share benefits fairly. No one wants to be outsmarted. He said some Thai loggers with concessions in Burma were despicable and lacked good ethics. They have exploited and cut logs in Burma the same way they did at home to the point that problems resulted. He said it is necessary to understand this problem in order to avoid confusion.

The prime minister said it is counterproductive for the government to just allocate funds for its regional development program without receiving local cooperation. It is also necessary to find ways to prevent budget allocations from being spent solely by single officials.

The prime minister said: "I do not think people who are corrupt find happiness. Many politicians have become rich by corruption and have used the money gained from corruption to buy votes to enable them to retain their parliamentary seats. These people live in hell and never find happiness. It is better for one to gain wealth honestly than to be rich by cheating the country."

#### **Opposition Party Candidate Wins Byelection**

*BK1107141893*

[Editorial Report] Bangkok Radio Thailand Network in Thai at 1300 GMT on 11 July reports that Thongto Kluaimai, Bangkok Metropolis Administration permanent secretary, announced before media representatives at about 1930 the following result of the 11 July byelection for Bangkok constituency 1: "Lalita Roeksamran, the Prachakon Thai Party candidate, received 37,758 votes. Prasan Marukkhaphithak, Phalang Tham Party candidate, received 30,728 votes. Therefore, Lalita Roeksamran has been elected member of parliament for Bangkok Constituency 1."

#### **Vietnam**

#### **National Assembly Halves Agricultural Land Tax**

*BK1207072593 Hanoi VNA in English 0618 GMT 12 Jul 93*

[Text] Hanoi VNA July 12—The National Assembly has written into law a new tax system for the use of agricultural land which cuts down by half of rate applied up to now.



The previous rate was 10 percent of the crop. The new one is 5 percent.

The law, passed on Saturday provides that tax is no longer based on crop yield but on area and soil conditions, which is intended to encourage intensive farming.

Levies will be made directly on farmer households, not through cooperatives.

#### **Issues Communique on Final Meeting**

*BK1407155593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Jul 93*

[“Communique” of the National Assembly Office on the final meeting of the Ninth National Assembly’s Third Session]

[Text] On 14 July, the National Assembly held a plenary session in the Conference Hall under the direction of National Assembly Chairman Nong Duc Manh. The National Assembly continued to pass the draft law on land section by section.

Comrade Ha Manh Tri, chairman of the National Assembly Judiciary Committee, on behalf of the National Assembly Secretariat, the National Assembly Judiciary Committee, and the Drafting Committee for the Compilation of the Land Law, presented a report summing up the views contributed by the National Assembly deputies to the proposed amendments to the draft law on land that were raised during the 13 July meeting. The National Assembly then voted on some articles of the draft law on which the deputies had had differing opinions.

After listening to a full text of the draft law on land presented by Nguyen Van Yeu, member of the National Assembly Secretariat, four deputies delivered addresses on the draft law. They were Do Van An of Son La, Trang A Pao of Lao Cai, Le Van Chau of Ho Chi Minh City, and Pham Hung of Hai Hung. With high unanimity, the National Assembly voted to pass the entire text of the Land Law, an important law that attracts the attention and expectations of all the people in the entire country.

Also at this meeting, the National Assembly heard reports presented by government members. Foreign Minister Nguyen Manh Cam reported on some issues relating to foreign affairs work. Minister Le Xuan Trinh, director of the Government Office, reported on the results of the official visit to four West European countries—the Republic of France, the Federal Republic of Germany, the Kingdom of Belgium, the United Kingdom—and the European Community by our government delegation led by Prime Minister Vo Van Kiet; and on the results of the visit to the Republic of Cuba by our party and state delegation led by Comrade Vo Van Kiet, member of the Communist Party of Vietnam Central Committee Political Bureau and prime minister.

Then, Deputy Prime Minister Phan Van Khai spoke on some issues relating to the implementation of the

National Assembly resolution on the 1993 tasks after having received the views contributed by the National Assembly deputies.

At the end of the afternoon meeting, the National Assembly held its closing meeting of the Third Session. The National Assembly heard a draft resolution on the revision and supplement of the 1993 legislative work plan presented by Vu Mao, head of the National Assembly Secretariat. Then Nguyen Thi Ngoc Phuong, member of the National Assembly Secretariat, read draft resolutions on the promulgation of regulations governing the activities of the National Assembly deputies and delegations, regulations governing the activities of the National Assembly Standing Committee, regulations governing the activities of the National Assembly Nationalities Council, and regulations governing the activities of the National Assembly committees. The National Assembly then voted to pass these resolutions.

National Assembly Chairman Nong Duc Manh delivered a speech closing the Third Session of the Ninth National Assembly. The Ninth National Assembly’s Third Session was hailed as a success.

#### **Chairman Closes Session 14 Jul**

*BK1407134993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Jul 93*

[Report by station correspondent Truong Cong Hoa with portions recorded on the closing of Ninth National Assembly’s Third Session in Hanoi on 14 July]

[Text] Dear friends: Today is the 25th working day of the Ninth National Assembly’s Third Session. The deputies were briefed by Foreign Minister Nguyen Manh Cam on a number of issues relating to diplomatic activities in the morning. In his report, Foreign Minister Nguyen Manh Cam pointed out the positive diplomatic activities of the party and state in the recent past and welcomed the fine results of the visits to a number of countries by our comrade party and state leaders. According to Foreign Minister Nguyen Manh Cam, those visits have broadened our country’s friendly and cooperative ties with other nations, thus creating favorable international conditions for the cause of national construction and defense and positively contributing to the common efforts of countries in the region and other parts of the world to promote peace, national independence, democracy, and social progress.

Regarding the Cambodian issue, Foreign Minister Nguyen Manh Cam asserted: It is Vietnam’s unchanged policy to seriously implement the Paris agreement on Cambodia, fully respect the Cambodian people’s independence and sovereignty, and enhance its friendly and cooperative ties with the Cambodian people. It is Vietnam’s hope that the Cambodian factions will achieve national reconciliation and concord and will work together in building Cambodia into a peaceful, neutral, and nonaligned country which maintains good relations with other nations.



The National Assembly next heard Comrade Le Xuan Trinh, minister and director of the Government Office, deliver a report on the results of the visits to a number of Western European countries and the European Community by our government delegation led by Prime Minister Vo Van Kiet, as well as on the results of the visit to Cuba by our country's high-level party and government delegation headed by Prime Minister Vo Van Kiet.

Also at this morning session, the National Assembly heard the following:

- Comrade Ha Manh Tri, on behalf of the National Assembly's Judiciary Committee, presented a number of supplements to the revised draft law on land.
- Comrade Nguyen Van Hieu, on behalf of the secretariat, presented the text of the draft law on land after it had been revised based on the suggestions contributed by the deputies.

At the opening of the afternoon session, the National Assembly heard Comrade Nguyen Van Hieu, who, on behalf of the secretariat, took into account the views contributed by the deputies to the draft law on land. After holding discussions, the National Assembly adopted the text of the law on land with a great majority of votes.

Next, the National Assembly heard Deputy Prime Minister Phan Van Khai, who, on behalf of the government, presented an additional report on a number of issues relating to the socioeconomic development orientations and tasks for the latter half of 1993.

Dear friends, the National Assembly held its closing session at 1545 this afternoon. At the opening of the session, the National Assembly heard Comrade Vu Mao, member of the National Assembly's Standing Committee and head of the secretariat, deliver a report summing up the views contributed by the various National Assembly delegations to the draft resolution on amendments or supplements to the 1993 legislative work program in the latter half of the year. Next, he presented the text of the draft resolution. The National Assembly then voted to pass this draft document.

Next, the National Assembly heard Comrade Nguyen Ngoc Phuong, who, on behalf of the secretariat, presented the draft resolutions on the promulgation of the regulations governing the operating procedures of National Assembly deputies and delegations, the National Assembly's Standing Committee, the National Assembly's Nationalities Council, and other National Assembly committees. The National Assembly voted to pass all of the aforementioned draft resolutions.

Dear friends, after the National Assembly had voted to pass the resolutions of the Ninth National Assembly's Third Session, National Assembly Chairman Nong Duc Manh delivered the closing speech. In his speech, after touching on the various laws adopted by the National Assembly at this session to continue to institutionalize

the party's lines and concretize the provisions of the 1992 Constitution, National Assembly Chairman Nong Duc Manh said:

[Begin recording] The objectives of the promulgation of legal documents this time are to create legal grounds for national development in many domains so as to explore, exploit, utilize, and effectively protect our oil and gas resources, as well as encourage publishing activities aimed at meeting people's cultural and information demands, vigorously bring into play the masses' creativeness, and adjust a number of irrationalities in a number of tax laws currently in effect to stimulate production, strengthen state management efficiency, and secure sources of budget revenues.

With regard to agriculture, the promulgation of those legal documents will give peasants a sense of security so they can engage in production and business activities, as well as make good use of land funds. This move will also help implement social justice, firmly maintain political stability and public order in the countryside, and advance economic reform a step further.

The law on land stipulates the granting of the right to use land on a long-term basis to peasants. Land users are entitled to the right to exchange, transfer, or rent those plots of land allotted to them, as well as pass this right on to their heirs or use those plots of land as collateral in accordance with law.

The law also determines the ratio of land reserve, land categories, and land for residential purposes. These moves are of important significance because they mark a new progress in the land management and utilization system, as well as define land users' rights and responsibilities.

Together with the law on land, the promulgation of the law on agricultural land use tax reflects the spirit of taking into account the people's ability to pay taxes while at the same time securing the sources of state budget. In this way, there will be conditions for making reinvestment in agriculture and for building a new life in the countryside.

These two legal documents have contributed to institutionalizing the party's resolutions, especially the Seventh party Central Committee's Fifth Plenum resolution on continued renovation of socioeconomic development in the countryside. [prolonged applause] [end recording]

Chairman Nong Duc Manh emphasized that with the passing of eight laws and four regulations and the discussion and contribution of views to the three draft laws—namely, the draft law on state-run business establishments, the draft law on business bankruptcy, and the draft law on power and order in the promulgation of legal documents—the Third Session of the Ninth National Assembly marked a new developing step of the National Assembly in its legislature work. The National Assembly obtained precious experience in the procedure of examining and passing a legal document.



While mentioning the implementation of the laws that just have been passed, Chairman Nong Duc Manh stressed:

[Begin recording] Dear National Assembly deputies, an urgent demand at present is to create a habit of living and working by the constitution and law in public. However, so far, no small number of legal documents have been slowly implemented or not strictly implemented. In order to end that situation, the government needs to quickly issue guidance for the application of the laws after they are passed by the National Assembly. It needs to satisfactorily conduct propaganda work to widely disseminate the laws in public. It must strengthen the role of law enforcement agencies to ensure that the laws are strictly and uniformly implemented in the entire country. The government also needs to quickly deal with violations of the laws to meet its role of state management by the law.

For our part, the National Assembly deputies must observe and actively motivate the public for a strict conformity of the law and closely supervise the implementation of the laws by government organs. We must actually contribute our share to quickly bring the legal documents to life. [end recording]

After that, National Assembly Chairman Nong Duc Manh reviewed other activities of the National Assembly, including the examination of the government report on the implementation of 1993 duties in the first six months. He heard some government members answering questions raised by National Assembly deputies. He also examined the National Assembly Standing Committee report compiling suggestions of voters in the entire country.

Chairman Nong Duc Manh confirmed that the National Assembly is happy at the fine improvement in the nation, which is the result of the utmost efforts by the entire people and soldiers under the correct leadership of the party. It is also the result of the progress of government management work at all sectors and levels. He also mentioned shortcomings that need to be overcome and urged the government to develop practical measures to continue to accelerate the economic development rate, to create favorable conditions for the fulfillment of the duties in the remaining months of 1993, and to create momentum for national development in the subsequent years.

Chairman Nong Duc Manh, on behalf of the National Assembly, heartily welcomed and acknowledged opinions contributed by the voters in the entire nation. He confirmed that the National Assembly discussed, assessed, and reminded the government at all sectors and levels to strictly consider these opinions.

Regarding the foreign affair policy, after stating that the National Assembly highly evaluated the government's active foreign affair activities in the past, Chairman Nong Duc Manh emphasized that in the last six months, we should further accelerate the open-door foreign policy

and continue to develop the friendship and cooperation relations with all nations for the implementation of socioeconomic duties. At the same time, we should continue to contribute to the common struggle for peace, stability, cooperation, and development in the region and the world.

Chairman Nong Duc Manh said:

[Begin recording] Dear National Assembly deputies, the success of this National Assembly session is the result of the thorough preparation of related organs and National Assembly deputies, National Assembly organs, and the active contribution of the people, sectors, and levels from the entire country. That is the result of a dedicated, democratic, and highly responsible working attitude of National Assembly deputies. That is also the result of the effective contribution of mass media agencies and other organizations during the session. The National Assembly warmly welcomes and hails those precious contributions. [applause]

The responsibility of the National Assembly, National Assembly organs, and National Assembly deputies after this Third Session is very formidable. On the foundation of the regulations governing the activities of the National Assembly deputies and delegations and other regulations, which were just passed the National Assembly, it is necessary to satisfactorily implement this National Assembly session's decisions to meet the expectation of the people in the entire country.

That responsibility demands a continued and close contact with the public from every National Assembly deputy. The deputies must quickly report all National Assembly decisions to the voters. They must motivate the entire public to strictly and actively implement the National Assembly resolutions. At the same time, they must satisfactorily implement the supervision role of the National Assembly over the government organs to make sure that the government organs fully observe orders and principles in state and socioeconomic management. The deputies must strictly observe the laws and satisfactorily accomplish their entrusted duties.

The National Assembly calls on the people and soldiers in the country and compatriots living abroad to unitedly heighten the conscious of self-reliance; to strive to save for development investment; to develop their positivism and creativeness; to grab opportunities and advantages; to overcome all obstacles and difficulties; to tirelessly strive for the undertaking of population prosperous, nation powerful, and society civilized; and to accomplish determinedly all targets and duties set forth for 1993 to create a foundation for a strong and firm development in the following years.

In that enthusiasm and belief, I declare closed the Third Session of the Ninth National Assembly. [applause] [end recording]

Dear friends, the Third Session of the Ninth National Assembly was closed at 1620 this afternoon.



**Government Reasserts Sovereignty Over Spratlys***BK1507095693 Hong Kong AFP in English 0937 GMT 15 Jul 93*

[Text] Hanoi, July 15 (AFP)—Vietnam reaffirmed Thursday its claim to sovereignty over the Paracel and Spratly islands and said that the construction of airbases there by China or Taiwan would worry Southeast Asia.

"I am of the idea that not only Vietnam but all the other Southeast Asian countries are interested in peace and stability," said foreign ministry spokeswoman Ho The Lan. "Therefore any developments conforming to this trend are welcomed whereas those going against it will only cause concern to these countries."

Lan was reacting to a report in an official Chinese publication that China was building an airbase in the Paracels in preparation for a possible conflict in the South China Sea. A separate report from Taipei said Taiwan was considering building an airbase in the Spratlys.

"The Hoang Sa (Paracel islands) and Truong Sa (Spratly islands) belong to Vietnam's sovereignty," Lan said during a regular press briefing.

While refraining from direct criticism, she pointed out that the leaders of China and Vietnam had agreed to settle their disputes through peaceful negotiation while refraining from doing anything to complicate them.

"We always respect high-level agreements," she said.

China seized the Paracels from the crumbling South Vietnamese government in 1974 and placed its troops on a number of islets in the Spratlys in 1988 amid a naval clash with Vietnam.

Vietnam still occupies the largest number of islets in the Spratlys, an archipelago that straddles shipping lanes and possibly hydrocarbon wealth. Taiwan holds the biggest island. Malaysia, the Philippines and Brunei are the other claimants.

Vietnamese Foreign Minister Nguyen Manh Cam is to attend the Association of Southeast Asian Nations ministerial meeting next week in Singapore. Vietnam gained ASEAN observer status last year during a meeting marked by concern over China's emerging assertiveness in the South China Sea.

**International Plans for Investment Viewed***BK1407142793 Hanoi Voice of Vietnam in English 1000 GMT 13 Jul 93*

[Station commentary]

[Text] International financial institutions say they are prepared to help Vietnam with capital to build its country. The World Bank and the Asian Development Bank or ADB are making positive decisions regarding Vietnam. Here is our radio editor's opinions:

The World Bank says it will unblock Vietnam 350 million dollars in the coming 12 months to help Vietnam develop education, communications and transport, and agriculture. The ADB or Asian Development Bank says it is ready to give Vietnam a loan of between 200 and 250 million dollars to implement oil prospecting projects. The ADB is considering other areas that need to be restored, including agriculture, water supply, communications and transport, electricity distribution, and education. These decisions were made public by the World Bank and ADB after the United States announced it would not prevent the International Monetary Fund from lending money to Vietnam. These international financial institutions and a large section of the American public also support the decision of American President Bill Clinton. However, they still maintain that the decision is not complete. They demand that the United States President completely remove the economic sanctions and adopt a plan to refinance Vietnam. At present, a number of countries have considered financial assistance. France promised to grant development aid of 62 million dollars. Germany promised 50 million dollars and Belgium promised 10 million dollars. The United Kingdom promised to unblock Vietnam 10 million dollars for infrastructure projects and 10 million dollars for Vietnamese repatriation program.

These plans for investment of the international financial institutions are the first important steps to help Vietnam build its country and develop its economy.

**Country Joins Customs Cooperation Council***BK1307045893 Hanoi Voice of Vietnam in English 1000 GMT 12 Jul 93*

[Text] Vietnam has officially joined the International Customs Cooperation Council. A Vietnamese delegation for the first time participated in the council's annual meeting held between 3-7 July.

With this participation, Vietnam will have more favorable conditions to modernize and improve its customs capacity with international assistance. It is also a favorable condition for Vietnam to join GATT.

**Trade Delegation Pays Official Visit to Laos***BK1007052993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 7 Jul 93*

[Text] A delegation from the Ministry of Trade—led by Comrade Le Van Triet, member of the Communist Party of Vietnam Central Committee and minister of trade—recently paid an official visit to the Lao People's Democratic Republic [LPDR].

The delegation was cordially received by Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party and prime minister of the LPDR. The delegates also held talks with their Lao counterparts, which led to the signing of agreements and documents between the two ministries.



On behalf of the two governments, Minister Le Van Triet and Minister Sompadit Volasan signed an agreement amending and supplementing the trade agreement for the 1991-95 period. The two sides also signed documents on the discussions between Vietnamese and LPDR business circles.

The Vietnamese side included representatives of a number of major business corporations that have cooperated with various Lao corporations for many years, such as the Hanoi Industrial Service Corporation, the Vietnam Import-Export Corporation, and the Gasoline and Diesel Oil Importing and Exporting Corporations. The Lao side included representatives of major business corporations, such as the Lao Toyota Service Corporation, the Import-Export Corporation of Friendship with Foreign Countries, and so forth.

#### **Delegation From Lao Theoretical Review Visits**

*BK1007071193 Hanoi VNA in English 0611 GMT  
10 Jul 93*

[Text] Hanoi VNA July 10—A delegation of 'ALOUN-MAI', the theoretic review of the Central Committee of the Lao People's Revolutionary Party, led by Mr. Phan Douangchit, vice-chairman of the Lao Commission for Information and Training (CIT) and deputy editor-in-chief of the review, has paid a 10-day visit to Vietnam.

Where here, the Lao delegation and Mr. Nguyen Phu Trang, editor-in-chief of the review 'TAP CHI CONG SAN' of the Communist Party of Vietnam [CPV] had exchanges of views on their work. The Lao delegation also held talks with Ha Dang, member of the CPV Central Committee and head of the Ideology and Culture Commission of the party Central Committee, and other officials. During its visit, the Lao guests paid a floral tribute to President Ho Chi Minh at his mausoleum. They also called at some newspaper offices, cultural and economic establishments in Hanoi, Ho Chi Minh City and other places.

#### **Vu Oanh Attends Communications Trade Union Congress**

*BK1007072093 Hanoi Voice of Vietnam Network in  
Vietnamese 1100 GMT 8 Jul 93*

[Text] This morning, 8 July, the trade union of the Vietnam communications and transportation sector held its fifth congress. Attending the congress were 230 delegates representing more than 20,000 workers and laborers of the sector throughout the country.

Comrade Vu Oanh, member of the party Central Committee Political Bureau; the comrade chairman of the Confederation of Vietnamese Workers; and the minister of communications and transportation also attended and addressed the congress.

The congress set forth tasks for the trade union organization in the days ahead based on the evaluation of the

sector's workers and laborer movement in the past term of office. These involve ensuring close coordination with the technical department and other departments of the sector to create a source of capital and additional jobs, to act as guarantor for needy workers to obtain bank loans for family economic development, to adapt its activities to society, and to encourage workers and laborers to help each other in overcoming difficulties.

To achieve these objectives, the congress set forth tasks for the trade union of the sector to urgently improve the level and standardize the contingent of its grass-roots cadres to make all of its grass-roots organizations firm and strong.

#### **National Seminar on Copyright Held in Hanoi**

*BK1007150093 Hanoi VNA in English 1443 GMT  
10 Jul 93*

[Text] Hanoi VNA July 10—A national seminar on copyright and neighbouring rights was held in Hanoi on July 8-9.

The seminar was organized by the Vietnam Copyright Association in cooperation with the regional offices of the International Federation of the Phonographic Industry and the International Confederation of Authors and Composers' Societies. It was participated by representatives of the Organ of Control, the court, the Ministry of the Interior, the Ministry of Culture and Information, and film, video and music tape manufacturing companies.

Over recent years, cultural and art activities have been developed vigorously in literature, music, the stage, fine arts, architecture and other areas. But these achievements were accompanied with remarkable violations of copyrights particularly of audio-visual and printed works. The participants pointed to the need to organize a collective management in the audio-visual field, to work out measures to protect copyrights.

A similar seminar will be held in Ho Chi Minh City early next week.

#### **Finance Official Predicts 15 Percent Inflation**

*BK1207094593 Hanoi Voice of Vietnam in English  
1000 GMT 9 Jul 93*

[Text] First Deputy Finance Minister Phan Van Dinh predicts Vietnam is likely to maintain an inflation rate at 15 percent or lower for the rest of the year. The mark was set by the National Assembly during its last meeting in December 1992.

Answering questions by Assembly deputies on Thursday, Mr. Dinh said: The monthly rate in the first half was 0.7 percent, compared to the 2.4 percent average in the corresponding period last year. The rate for the whole of 1992 was about 15 percent. He further noted that inflation control must be supported by strengthening budget management and boosting production for greater



revenue. Another measure should be mobilizing idle money from among the people.

#### **Pham The Duyet Inspects Hanoi Dike System**

*BK1407091393 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Jul 93*

[Text] Comrade Pham The Duyet, secretary of the Hanoi municipality party committee, recently inspected a number of key portions of the dike systems in Gia Lam and Tu Liem Districts. He also held working sessions with local officials on dike and dam consolidation work, as well as on precautions against typhoons and flash floods, in order to protect production and lives. He was briefed by local district officials and representatives of the water conservation service on the characteristics of the dike system in Hanoi, the results of the 1993 dike consolidation work, and the implementation of dike protection measures in the flash flood season.

#### **Telephone Line System Completed in Thai Binh**

*BK1407101693 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 93*

[Text] A 22,000-line electronic telephone exchange of the TDX style costing 24 billion dong has been put into commission in Thai Binh Province, southeast of Hanoi. In the first stage, 1,280 lines are used to connect the

provincial capital Dam Huong district to the national and international telecommunications systems.

#### **Binh Thuan Installs TV Relay Station in Duc Linh**

*BK1407125693 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 11 Jul 93*

[Text] After a period of construction and installation, the satellite television relay station of Duc Linh District, Binh Thuan Province was put into operation. Duc Linh, a mountainous district of Binh Thuan, had not been able to watch Vietnam television programs for many years.

The Binh Thuan Province and central government funded this relay station. The Binh Thuan Television Station directly conducted the construction and installation of the project and offered technical guidance for the station operation.

After putting into service, the relay station provides good transmission coverage to villages in the district. The all-ethnic people in the district are very happy at this cultural project which provides necessary information for everybody in the area.

So far, six out of nine districts in the province are equipped with television relay stations.



### Australia

#### Evans on ASEAN, Somalia, PRC Arms Purchases

BK1407123393 Melbourne Radio Australia in English  
0803 GMT 14 Jul 93

[Text] The Australian foreign minister, Gareth Evans, has played down concerns about an arm race in Asia. In a wide-ranging interview, Senator Evans said all nations have the right to ensure they could probably defend themselves. He also referred to recent moves by the Association of Southeast Asian Nations, ASEAN, toward the establishment of a regional security framework. Senator Evans will be discussing that issue at the annual ASEAN foreign ministers' meeting which begins in Singapore early next week. (Pru Gart) began by seeking Senator Evans' response to criticism of the United Nations operation in Somalia.

[Begin recording] [Evans, in progress] ...important to appreciate that there is simply no easy option in a situation like Somalia where the UN was drawn in for essentially humanitarian reasons to cope with a desperate situation—hundreds of thousand of people starving, a need for immediate action—in an environment where there is no single government to deal with, negotiate with, or pressure into submission where there is, we all know, massive (?deceiving) warlords and quasi-feudal conflict. And that is still the environment that exists there. What's changed is that the humanitarian situation is obviously under control. People are being fed. What not obviously equally under control is the violent situation on the ground, which has been escalating in a fairly alarming way and in the last two or three weeks [clears throat] excuse me, but I'm not sure that the UN should be criticized in any across-the-board way for the way in which it's responded to the situation. It's basically a no-win one, it's not a peacekeeping operation here that we are talking about, but a peace enforcement one that by definition requires, demands the exercise of the military response that can't be seen. That kind of response will be trouble for (?anyone).

[(Gart)] The UN military activities have not been greatly successful. I would have suggested, since the end of the cold war, do you think it is time for a change to the way the UN operates [word indistinct]?

[Evans] Well, certainly there needs to be a lot of rethinking and new thinking going on about how to balance up these competing kinds of situations in which the UN finds itself and there is still a demand obviously for traditional peacekeeping type activity where it's just a thin blue line between previously warring sides in order

to preserve the, perhaps, tenuous peace. You've got the more extended peacekeeping situation that we're seeing in Cambodia very successfully, in fact, over the last year. But then you tread into this territory of peace enforcement sometimes in fairly clear-cut and critical situations like the Iraq invasion of Kuwait, which again was a successful UN-led operation. But inevitably in a lot of less unequivocal, much more ambiguous, much more difficult situations of a kind that we now see in Somalia and of course in the former Yugoslavia and it may be that we do have to fundamentally think, rethink on the kind of goal and nature of the resources that need to be deployed in these more ambiguous situations of which unhappily I guess we can fear [as heard] rather more occurring in the years ahead.

[(Gart)] Now to Singapore, you are heading off to the ASEAN ministers' meeting. And they are now looking at formal security framework for Asia-Pacific.

[Evans] One thing, a long-standing Australian policy objective to get first of all a dialogue going in the region that embraces all the major players, including—of course—Vietnam, China, Russia, that haven't been the case in the past. We've tended to talk within much more traditional alliance frameworks. All of that is opening up. President Clinton in a major speech to the full national assembly just a few days ago made clear that the United States' commitment to much more multilateral international way of addressing the security issue....

[(Gart), interrupting] But what about....

[Evans] ...I think it does represent a significant achievement for Australian foreign policy in fact we are moving to the consensus approach on this rather difficult area.

[(Gart)] What about the Board of Chinese Military Hardware and its buying and selling operation?

[Evans] Well, I don't think anyone really seriously describes what's happening our region as constituting an arms race at the moment (?but there are) questions of modernization of military capability going on and well, it's an important distinction because all countries are entitled to have an effective defensive capability and China is a country of a massive size. Its army previously has not been a specially modern in terms of its projection capability. There are some obviously flash points and potential tension points in the region not only in the Northeast of Korean Peninsula and Seoul, but also further south of the South China Sea. But the important thing is that the [word indistinct] are being systematically addressed in a cooperative dialogue way and that's the big change for this region. [end recording]



**New Zealand****Government Reports 0.6 Percent Inflation Rate**

*BK1407080593 Melbourne Radio Australia in English  
0500 GMT 14 Jul 93*

[Text] New Zealand says its inflation rate was just 0.6 percent in the June quarter, one of the lowest annual rates in the developed world. Consumer Price Index figures show mortgage rate increases announced early this year as well as price hike for timber and electricity helped to push inflation to its highest level in any quarter since 1991. As a result, New Zealand now has an annual inflation rate of 1.3 percent.

After releasing the June quarter figures, the Statistics Department issued a table on inflation in developed countries showing New Zealand now has the fourth lowest rate.

**Vanuatu****Prime Minister Begins 5-Day Visit to France**

*BK1407075093 Melbourne Radio Australia in English  
0500 GMT 14 Jul 93*

[Text] Vanuatu's Prime Minister Maxime Carlot (Colmann) has begun a five-day visit to France. While in France, he'll be having talks with the minister for overseas territories, Dominique Perben; the speaker of the senate, (Rene Moret); and the mayor of Paris, Jacques Chirac. Tomorrow, Mr. (Colmann) will open Vanuatu's first consulate in Paris whose honorary consul will be (Daniel Marpen), a New Caledonian resident in France. On a population basis, Vanuatu is one of the biggest recipients of French aid, which this year will total about \$4 million.